

DEVYANI INTERNATIONAL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

BOARD OF DIRECTORS

Mr. Ravi Kant Jaipuria
Mr. Varun Jaipuria
Mrs. Devyani Jaipuria
Mr. Raj P. Gandhi
Mr. Virag Joshi
Ms. Rashmi Dhariwal
Dr. Ravi Gupta
Mr. Vishesh Shrivastav
Mr. Sanjeev Arora

CHIEF FINANCIAL OFFICER

Mr. Sanjeev Arora

COMPANY SECRETARY

Mr. Vivek Kumar Singh

JOINT AUDITORS

- a) M/s. APAS & Co.,
Chartered Accountants,
New Delhi
- b) B S R & Co. LLP,
Chartered Accountants,
Gurugram

REGISTERED OFFICE

F-2/7, Okhla Industrial Area, Phase-I
New Delhi - 110 020

HEAD OFFICE

Plot No. 18, Sector-35, Gurugram - 122 004, Haryana

BANKERS

Axis Bank Limited	Standard Chartered Bank
HDFC Bank Limited	IDBI Bank Limited
RBL Bank Limited	Yes Bank Limited
IndusInd Bank Limited	IDFC First Bank

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Director's Report

Dear Members,

Your Directors have pleasure in presenting the 28th (Twenty Eighth) Annual Report on the business and operations of your Company along with the Audited Financial Statements, for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2019 is summarized below:
(₹ in Millions)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Sales & other Income	10,821.80	8,973.89	13,673.64	11,356.70
Profit before Interest, Depreciation, Impairment & Tax	556.64	1,044.89	806.53	1,162.93
Less: Interest*	289.07	185.71	382.77	309.47
Less: Depreciation & Impairment	646.50	312.49	1,076.76	550.62
Profit/ (Loss) before Tax	(378.92)	546.69	(653.00)	302.84
Less: Income tax expenses	-	-	11.31	(8.4)
Add/Less: Other Comprehensive income	(7.91)	(13.13)	(30.04)	68.33
Total comprehensive income for the year (net of tax)	(386.83)	533.56	(694.35)	379.57
Total comprehensive income for the year attributable to:				
Owners of the Company	(386.83)	533.56	(499.59)	517.03
Non-controlling interests			(194.76)	(137.46)

* includes Exchange Gain/ (Loss) of INR Nil [INR (13.78)] for the year ended March 31, 2018]] from Devyani International (Nigeria) Limited, Subsidiary.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2019, are prepared in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), Indian Accounting Standards ("Ind AS") which shall be placed before the members in their forthcoming Annual General Meeting ("AGM").

To comply with the provisions of Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of subsidiary/ associate/ joint venture Companies is provided as **Annexure - 1** in prescribed Form AOC - 1 and therefore not repeated hereby to avoid duplication.

STATE OF COMPANY'S AFFAIRS

The revenue of your Company has grown by 20% on consolidated basis. Your Company has opened 55 new outlets and closed 33 loss making outlets during the year under review. The Company also acquired 13 KFC stores in the state of Kerala from Yum India Private Limited who is the brand owner of 'KFC'. Your Company has opened stores on Lucknow Airport, Raipur Airport, Srinagar Airport and Trichy Airport for expanding its business and further expanding the KFC and Pizza Hut business by opening new stores. Your Company continued its focus on product innovation, cost optimization, technology upgradation, Consumer connect and loyalty programs. All these efforts have resulted in improvement in revenue of your Company. Your Company has invested in its subsidiary in UK (i.e Devyani International UK Private Limited) to start its business under the brand 'TWG'. Your Company is also expanding its business and planning to open

new stores in Nepal, Nigeria and UK.

DEPOSITS

Your Company has not accepted any deposits during the year under review, falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO GENERAL RESERVE

During the year under review, the Company has not transferred any amount to General Reserve.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of the business of the Company.

DIVIDEND

Considering the future fund requirements of your Company to be met through retained earnings, your Directors have not recommended any dividend on equity shares for the year under review.

SHARE CAPITAL

During the year under review, there was no change in the Share Capital of the Company.

DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEMES

The Company has Employees Stock Option Plan, 2011 (ESOP 2011) which was approved by the Board of Directors in their meeting held on September 20, 2011 and by the shareholders on December, 20, 2011. The Company has a total of 18,59,500 outstanding stock options under ESOP 2011.

The Board of Directors in their meeting held on April 6, 2018 formulated a Scheme called "Employees Stock Option Scheme 2018" ("Scheme") in conformity with the Guidelines on Employees' Stock Option Plan or Scheme dated 11th October 2001 issued by the Government of India in exercise of the powers conferred by proviso to sub-clause (iii) of clause (2) of Section 17 of the Income Tax Act, 1961, Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 (hereinafter 'Act') and the SEBI (Share Based Employee Benefit) Regulations, 2014 ("Regulations"). The Scheme was approved by Shareholders of the Company in their meeting held on September 21, 2018 and was effective from the date of shareholders approval. The Company issued a total of 5,06,000 stock options under this Scheme.

In terms of Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, the prescribed details of Employees Stock Options Scheme are as under :-

Particulars	Employees Stock Option Plan, 2011	Employees Stock Option Scheme 2018
	Number of Options	Number of Options
Options granted during FY 2018-19	Nil	5,06,000
Options vested during FY 2018-19	Nil	Nil
Options exercised during FY 2018-19	Nil	Nil
Total number of shares arising out of exercise of options during FY 2018-19	Nil	Nil
Options forfeited/lapsed/cancelled during FY 2018-19	Nil	Nil
The exercise price	Nil	NA
Variations of terms of options during FY 2018-19	NA	NA
Money realized by exercise of options during FY 2018-19	Nil	Nil
Total number of options granted during FY 2018-19 and in force	Nil	5,06,000

Employee wise details of options granted during FY 2018-19:

Particulars	Employees Stock Option Plan, 2011	Employees Stock Option Scheme 2018
	Number of Options	Number of Options
(a) Key Managerial Personnel	Nil	Nil
(b) Any other employee who received a grant of options amounting to 5% or more of the options granted during FY 2018-19.	Nil	Mr. Rahul Shibde – 250000 options (49.41%) Mr. Ravi Gupta – 100000 Options (19.76%) Mr. Ajit Roy – 30000 Options (5.93%)
(c) Identified employees who were granted options, during FY 2018-19 equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	Nil	Nil

RELATED PARTY TRANSACTIONS

All contracts / arrangements and transactions entered into by the Company with related parties during the year under review were in the ordinary course of business and on arm's length basis, hence no details are required to be provided in Form AOC-2 as prescribed under Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has following subsidiaries / associate companies:

Subsidiaries

1. Devyani Food Street Private Limited;
2. Devyani Airport Services (Mumbai) Private Limited;
3. Devyani International Nepal Private Limited;
4. RV Enterprizes Pte. Ltd.;
5. Devyani International (Nigeria) Limited; and
6. Devyani International (UK) Private Limited.

Joint venture

1. The Minor Food Group (India) Private Limited.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

To comply with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Ravi Kant Jaipuria (DIN: 00003668) and Ms. Devyani Jaipuria (DIN: 00044672), Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, seeks re-appointment. Your Board of Directors recommend their re-appointment.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Sanjeev Arora, as an Additional Director who shall hold office upto the date of the ensuing AGM of the Company. He was designated as Whole-time Director of the Company. The Board of Directors recommend his appointment as Director. He was also appointed as the Chief Financial Officer (KMP) of the Company effective from 18th January, 2019.

All Independent Directors of the Company have declared and confirmed that they meet with the criteria of Independence, as prescribed under Section 149 (6) of the Companies Act, 2013.

Resignations

Mr. Som Nath Chopra resigned from the position of Whole-time Director and Chief Financial Officer of the Company w.e.f. December 20, 2018, due to his personal reasons.

Key Managerial Personnel

During the year under review, Mr. Lalit Yadav, Company Secretary & KMP resigned from the Company w.e.f. March 28, 2019.

Mr. Virag Joshi, Whole-time Director and Mr. Sanjeev Arora, Chief Financial Officer of the Company continued to be the Key Managerial Personnel ("KMP") of your Company in accordance with the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BOARD EVALUATION

To comply with the provisions of Section 134(3)(p) of the Act and rules made thereunder, the Board has carried out the annual performance evaluation of the Directors individually including the Independent Directors (wherein the concerned director being evaluated did not participate), Board as a whole, and following Committees of the Board of Directors:

- i) Audit Committee;
- ii) Nomination and Remuneration Committee; and
- iii) Investment and Borrowing Committee.

BOARD AND COMMITTEE MEETINGS

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

At the end of the year under review, the Board had 3 (three) Committees, namely Audit Committee, Nomination and Remuneration Committee and Investment and Borrowing Committee.

The Company's internal guidelines for Board/Board Committee meetings facilitate the decision-making process at its meetings in an informed and efficient manner.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policies and strategies apart from other regular business matters. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings circulated to all Directors and invitees well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

The agenda is generally circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. However, in case of urgency, the agenda is circulated on shorter notice as per the provisions of the Secretarial Standards on Meetings of the Board of Directors. Usually meetings of the Board are held at the Corporate Office of the Company at Gurugram.

Board meets at least once in a quarter to review inter-alia the performance of the Company. Additional meetings are held on a need basis.

The Company also provides facility to the Directors to attend meetings of the Board and its Committees through Video Conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video conferencing, to enable their participation.

4 (four) Board Meetings were held during the Financial Year 2018-19 on April 6, 2018, June 29, 2018, September 21, 2018 and January 18, 2019. The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act.

Attendance of Directors at Board Meetings:

S. No.	Name	No. of meetings attended
1.	Mr. Ravi Kant Jaipuria	3
2.	Mr. Varun Jaipuria	1
3.	Mr. Raj Pal Gandhi	4
4.	Mr. Virag Joshi	3
5.	Mr. Arjun Dass Verma (resigned w.e.f. April 6, 2018)	1
6.	Mr. Prashant Purker (resigned w.e.f. April 12, 2018)	1
7.	Mr. Vishesh Shrivastav	1
8.	Ms. Devyani Jaipuria	1
9.	Ms. Rashmi Dhariwal	3
10.	Dr. Ravi Gupta	1
11.	Mr. Som Nath Chopra (resigned w.e.f. December 20, 2018)	1

COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board as a part of good governance practice. The Board supervise the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the proceedings of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

Procedure at Committee Meetings

The Company's guidelines related to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the members and placed before

Board meetings for noting.

i) Audit Committee

The Composition and terms of reference of the Audit Committee satisfy the requirement of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014.

Composition of the Committee at the end of Financial Year was as follows:

S. No.	Name	Category	Designation
1.	Dr. Ravi Gupta	Independent Director	Member
2.	Ms. Rashmi Dhariwal	Independent Director	Member
3.	Mr. Raj P. Gandhi	Director	Member

The Audit Committee invites such executives, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meeting.

Meeting

The Audit Committee met 2 (two) times during the financial year 2018-19 on September 21, 2018 and January 18, 2019.

The attendance of members at the meetings held during the financial year 2018-19 were as follows:

S. No.	Name	No. of meetings attended
1.	Dr. Ravi Gupta	1
2.	Ms. Rashmi Dhariwal	2
3.	Mr. Raj P. Gandhi	2

ii) Nomination and Remuneration Committee

The Composition and terms of reference of the Nomination and Remuneration Committee satisfy the requirements of Sections 178 of the Act.

Composition of the Committee at the end of Financial Year was as follows:

S. No.	Name	Category	Designation
1.	Dr. Ravi Gupta	Independent Director	Member
2.	Ms. Rashmi Dhariwal	Independent Director	Member
3.	Mr. Ravi Kant Jaipuria	Director	Member
4.	Mr. Vishesh Shrivastav	Director	Member

Meetings

Nomination & Remuneration Committee met 2 (two) times during the financial year 2018-19 on September 21, 2018 and January 18, 2019.

The attendance of members at the meetings held during the financial year 2018-19 were as follows:

S. No.	Name of Member	No. of meetings attended
1.	Dr. Ravi Gupta	1
2.	Ms. Rashmi Dhariwal	2
3.	Mr. Ravi Kant Jaipuria	2
4.	Mr. Vishesh Shrivastav	1

iii) Investment and Borrowing Committee

The Composition and terms of reference of the Investment and Borrowing Committee satisfy the requirement of the Companies Act, 2013. The Board of Directors of the Company have delegated the authority to the Investment and Borrowing Committee to take decisions related to loan, investments, borrowings etc.

Composition of the Committee at the end of Financial Year was as follows:

S. No.	Name	Category	Designation
1.	Mr. Raj P. Gandhi	Director	Chairman
2.	Mr. Virag Joshi	Director	Member
3.	Mr. Sanjeev Arora	Director	Member

Meetings

Investment and Borrowing Committee met 7 (seven) times during the financial year 2018-19 on May 21, 2018, June 29, 2018, July 2, 2018, October 23, 2018, December 17, 2018, January 18, 2019 and March 28, 2019.

The attendance of members at the meetings held during the financial year 2018-19 were as follows:

S. No.	Name of Member	No. of meetings attended
1	Mr. Raj P. Gandhi	7
2	Mr. Virag Joshi	7
3	Mr. Sanjeev Arora	2
4	Mr. Som Nath Chopra (resigned w.e.f. December 20, 2018)	3

REMUNERATION POLICY

The policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 of the Act was adopted by the Board on the recommendation of Nomination and Remuneration Committee of the Company. The Nomination and Remuneration Policy of your Company is uploaded on the website of the Company at www.dil-rjcorp.com.

STATUTORY AUDITORS AND THE AUDITORS' REPORT

In terms of Section 139 of the Act and the rules made thereunder, M/s. APAS & Co., Chartered Accountants, Firm Registration Number 000340C and M/s. B S R & Co. LLP, Chartered Accountants, Firm Registration Number 101248W/W-100022 were appointed as Joint Statutory Auditors of the Company to hold office until the conclusion of the 31st Annual General Meeting i.e. upto March 31, 2022.

The Auditors' Report on the standalone financial statement contains a qualification regarding Note 40 to the standalone financial statements, which explains the reasons for management not providing for any impairment allowance/ loss in respect of investment in subsidiary and loan (including interest accrued thereon) granted to the subsidiary amounting to Rs.720.95 Million (previous year Rs. 652.15 million) and Rs 285.43 million (previous year Rs. Nil) respectively, as at 31 March 2019. The Board is of the view that the decline in the carrying value of the long term investment in the subsidiary company is temporary as the Company is expecting growth in the operations of subsidiary during the current year.

Other than the above, the Auditors' remarks are self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors. The Statutory Auditors have not reported any frauds under Section 143 (12) of the Act.

COST AUDIT

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014 and any amendment thereto, Cost Audit is not applicable to the Company.

SECRETARIAL AUDITORS

Your Board, on the recommendations of the Audit Committee, has appointed M/s. Sanjay Grover & Associates, Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report for the Financial Year 2018-19 is attached to this report as Annexure - 2. The observation contained in the audit report are self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors.

RISK MANAGEMENT

Your Company has a robust Risk Management Policy which identifies and evaluates business risks and opportunities. The Company recognize that these risks needs to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions.

INTERNAL FINANCIAL CONTROLS

Pursuant to the provisions of Section 138 of the Act, read with The Companies (Accounts) Rules, 2014, the Board of Directors of the Company had appointed M/s. O.P. Bagla & Co. LLP, Chartered Accountants as an Internal Auditor of the Company for the Financial Year 2018-19.

The Company has in place the adequate internal financial controls with reference to financial statements. During the year such controls were tested and no material weaknesses were observed in operations.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2017-18, the Company earned a Net Profit of Rs. 53.35 Crores and accordingly the provisions of Section 135 of the Act related to Corporate Social Responsibility were applicable on your Company. In terms of Section 135, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year, shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Accordingly, the Board of Directors in their meeting held on 18th January, 2019 have constituted a Corporate Social Responsibility Committee consisting of Mr. Raj P. Gandhi, Mr. Virag Joshi, Ms. Rashmi Dhariwal and Mr. Vishesh Shrivastav. The Company was not required to incur any expenditure on CSR during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Directors state:

- (i) that in the preparation of the annual accounts for the Financial Year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2019 and of the Loss of the Company for the period ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis;

- (v) that proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	The steps taken or impact on conservation of energy	Replacement of inefficient Motors, Installation of LED's at several locations
(ii)	The steps taken by the Company for utilizing alternate sources of energy	-
(iii)	The capital investment on energy conservation equipment's	-

b) Technology absorption

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-

c) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Foreign Exchange Earnings and Outgo

(₹ in Millions)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Earnings in foreign currency	76.87	97.38
Outgo in foreign currency :		
Value of Imports (CIF)		
Capital Goods	11.91	11.24
Stores, Spares, Raw Material & Trading goods	61.66	65.08
Expenditure in foreign currency		
Travelling & Others	10.48	0.28
Royalty & Other Fee	49.81	49.10

VIGIL MECHANISM / WHISTLE BLOWER POLICY

To comply with the provisions of Section 177 of the Act, the Company has adopted a Vigil Mechanism / Whistle Blower Policy for employees of the Company. Under the Vigil Mechanism Policy, the protected disclosures can be made by a victim through a letter to the Chairperson of the Audit Committee.

The Policy provides for adequate safeguards against victimization of employees and Directors and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases. No personnel of the Company has been denied access to the Audit Committee.

The main objective of this policy is to provide a platform to Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company which have a negative bearing on the organization either financially or otherwise.

This policy provides an additional channel to the normal management hierarchy for employees to raise concerns about any breach of the Company's Values or instances of violations of the Company's Code of Conduct. Therefore, it's in line with the Company's commitment to open communication and to highlight any such matters which may not be getting addressed in a proper manner. During the year under review, no complaint under the Whistle Blower Policy was received.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is annexed as Annexure - 3.

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with respect to the employees of the Company will be provided upon request and is available for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

HUMAN RESOURCES

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation. We have also set up a scalable recruitment and human resources management process which enables us to attract and retain high caliber employees. Our employee partnership ethos reflects the Company's longstanding business principles and drives the Company's overall performance with the prime focus to identify, assess, groom and build leadership potential for future.

GENERAL

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:-

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. The Whole-time Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Issue of Sweat Equity Shares.
5. There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
6. The Company is in regular compliance of the applicable provisions of Secretarial Standards issued by the Institute of

Company Secretaries of India.

7. Your Company has adopted a Policy as per the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received/pending relating to sexual harassment during the year under review.

ACKNOWLEDGEMENTS

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the various Government Authorities, the Banks / Financial Institutions and other stakeholders such as, members, customers and suppliers, among others. Your Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. Your Directors look forward to their continued support in future.

**For and on behalf of Board of Directors of
Devyani International Limited**

Place : Gurugram
Date : September 23, 2019

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN No.: 01821240

ANNEXURE - 1
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts (Rs. in Millions))

S. No.	Particulars	Details	Details	Details	Details	Details	Details
1.	Name of the subsidiary	Devyani Food Street Private Limited	Devyani Airport Services (Mumbai) Pvt. Ltd.	Devyani International Nepal Private Limited	RV Enterprizes Pte. Ltd.	Devyani International (Nigeria) Limited – Step down subsidiary (Subsidiary of RV Enterprizes Pte. Ltd.)	Devyani International UK Private Limited
2.	The date since when subsidiary was acquired	14.04.2010	01.05.2013	02.07.2008	31.01.2011	31.01.2011	23.03.2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01.04.2018 to 31.03.2019	From 01.04.2018 to 31.03.2019	From 01.04.2018 to 31.03.2019	From 01.04.2018 to 31.03.2019	From 01.04.2018 to 31.03.2019	From 01.04.2018 to 31.03.2019
4.	Reporting currency	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)
5.	Share capital	89.09	60	26.77	922.69	127.96	350.82
6.	Other Equity	(101.29)	(458.49)	18.06	(0.57)	(1,716.71)	(261.82)
7.	Total assets	381.70	192.88	202.29	1216.65	535.98	765.75
8.	Total Liabilities	381.70	192.88	202.29	1216.65	535.98	765.75
9.	Investments	-	-	-	49.87	-	-
10.	Turnover	1030.90	534.00	340.63	5.52	794.83	398.01
11.	Profit(Loss) before tax	(8.29)	(239.68)	7.27	(93.64)	(44.34)	(254.55)
12.	Tax expense	5.13	108.89	3.76	0	2.17	3.81
13.	Other Comprehensive Income	(0.41)	0.56	(0.53)	56.95	(265.59)	(8.16)
13.	Total Comprehensive Income for the Year (Net of Tax)	(13.83)	(348)	2.99	(36.69)	(312.10)	(266.53)
15.	Proposed Dividend	-	-	-	-	-	0
16.	% of shareholding	100%	51%	100%	87%	*68.51%	100%

*The figure represents 87% of the total shareholding of RV Enterprizes Pte. Ltd. i.e. 68.51% in Devyani International (Nigeria) Ltd.

Notes: 1. Names of subsidiaries which are yet to commence operations: Nil, 2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	The Minor Food Groups (India) Private Limited
1. Latest audited Balance Sheet Date	31.03.2019
2. Shares of Associate/Joint Ventures held by the Company on the year end	The Minor Food Group India Pvt. Ltd
Nos.	
Amount of Investment in Associates/Joint Venture	Rs. Nil (Investment 72.32 Millions and Provision for impairment Rs 72.32 Millions)
Extend of Holding%	30 %
3. Description of how there is significant influence	Devyani International Limited holds 30% of the equity share capital.
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit/(Loss) for the year	
i. Considered in Consolidation	Rs. Nil
ii. Not Considered in Consolidation	Rs. Nil

Notes:

- Names of associates or joint ventures which are yet to commence operations: Nil.
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

**For and on behalf of Board of Directors of
Devyani International Limited**

Place : Gurugram
Date : September 23, 2019

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN No.: 01821240

ANNEXURE - 2
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Devyani International Limited

(CIN: U15135DL1991PLC046758)

F-2/7 Okhla Industrial Area Phase-I,

New Delhi-110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Devyani International Limited** (hereinafter called the Company) which is an **unlisted company**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, Its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder:
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:

- iii. Foreign Exchange management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings, where applicable;

We have also examined compliance of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, compliance of which need to be further strengthened. Further, the Company was generally regular in filing of Forms with the Register of Companies.

- iv. The Company is engaged in the business of developing, managing and operating quick services restaurants for brands – Pizza Hut, KFC, Costa and Vango. As informed by the Management. Food Safety & Standards Act, 2006 and Rules made thereunder are specifically applicable to the company.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that compliance management system of the Company seems adequate to ensure compliance of law specifically applicable to the company, which can be further strengthened.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in case (s) where meeting was convened at a shorter notice in accordance with the provisions of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period:

- Pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of companies Act, 2013, the members in its Annual general Meeting held on 21st September, 2018 has given their approval for the Employee Stock Option Scheme 2018 to create, offer, issue, grant and allot at any time, equity shares not exceeding 5% (Five percent) of the fully diluted share capital of the Company, to and for the benefit of eligible employees of the Company at such price determined by the Board of Directors of the Company.

For Sanjay Grover & Associates
Companies Secretaries
Firm Registration No.: P2001DE052900

Place : New Delhi
Date : September 23, 2019

Vijay K. Singhal
Partner
CP No.: 10385

ANNEXURE - 3
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

1.	CIN	U15135DL1991PLC046758
2.	Registration Date	13.12.1991
3.	Name of the Company	DEVYANI INTERNATIONAL LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	F-2/7, OKHLA INDUSTRIAL AREA, PHASE-I, NEW DELHI – 110 020 TEL.: +91-11-41706720-725 FAX: +91-11-26813665
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110 020. Tel: +91-11-26812682-83, web: www.skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated).

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Pizza & Allied Products	1024	39%
2	Coffee & Allied Products	0901	4%
3	Chicken & Allied Products	1024	42%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	% of Shares Held	Holding/ Subsidiary / Joint Venture	Applicable Section
1	R J CORP LIMITED	U62200DL1980PLC010262	76.40	Holding	2(46)
2	DEVYANI FOOD STREET PRIVATE LIMITED	U55101DL2009PTC193995	100%	Subsidiary	2 (87) (ii)
3	DEVYANI AIRPORT SERVICES (MUMBAI) PRIVATE LIMITED	U55101DL2013PTC250959	51%	Subsidiary	2 (87) (ii)
4	RV ENTERPRIZES PTE. LTD.	N.A.	87%	Subsidiary	2 (87) (ii)
5	DEVYANI INTERNATIONAL NEPAL PRIVATE LIMITED	N.A.	100%	Subsidiary	2 (87) (ii)
6	DEVYANI INTERNATIONAL (NIGERIA) LIMITED - STEP DOWN SUBSIDIARY OF RV ENTERPRIZES PTE. LTD.	N.A.	78.75%	Subsidiary	2 (87) (ii) (a)
7	THE MINOR FOOD GROUP (INDIA) PRIVATE LIMITED	U55101DL2014PTC266136	30%	Joint Venture	2 (6)
8	DEVYANI INTERNATIONAL (UK) PRIVATE LIMITED	N.A	100%	Subsidiary	2 (87) (ii)

(IV) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	8,716,136	-	8,716,136	8.21	8,716,136	-	8,716,136	8.21	-
b) Central Govt/ State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	81,117,197	-	81,117,197	76.40	81,117,197	-	81,117,197	76.40	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	89,833,333	-	89,833,333	84.61	89,833,333	-	89,833,333	84.61	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A) (1)+(A)(2)	89,833,333	-	89,833,333	84.61	89,833,333	-	89,833,333	84.61	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	16,333,333	-	16,333,333	15.39	16,333,333	-	16,333,333	15.39	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto INR 1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of INR 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	16,333,333	-	16,333,333	15.39	16,333,333	-	16,333,333	15.39	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	16,333,333	-	16,333,333	15.39	16,333,333	-	16,333,333	15.39	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	106,166,666	-	106,166,666	100	106,166,666	-	106,166,666	100	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged I encumbered to total shares	% change in share holding during the year
1	Ravi Kant Jaipuria & Sons (HUF)	1,711,400	1.61	-	1,711,390	1.61	-	0.00 *
2	Varun Jaipuria	7,004,726	6.60	4.52	7,004,726	6.60	4.52	-
3	RJ Corp Limited	81,108,607	76.40	12.31	81,108,607	76.40	12.31	-
4	DJ Agri Industries Private Limited	8,590	0.01	-	8,590	0.01	-	-
5	Dhara Jaipuria	10	0.00	-	10	0.00	-	-
6	Devyani Jaipuria	-	-	-	10	0.00	-	0.00 *
	Total	89,833,333	84.61	16.83	89,833,333	84.61	16.83	0.00 *

During the year under review, 10 Equity Shares were transferred from Ravi Kant Jaipuria & Sons (HUF) to Ms. Devyani jaipuria and the percentage was negligible.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Name	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2019)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Ravi Kant Jaipuria & Sons (HUF)	1,711,400	1.61	01.04.2018	(0.00)	Transfer		
				31.03.2019			1,711,390	1.61
2.	Varun Jaipuria	7,004,726	6.60	01.04.2018		Nil movement		
				31.03.2019			7,004,726	6.60
3.	RJ Corp Limited	81,108,607	76.39	01.04.2018		Nil movement		
				31.03.2019			81,108,607	76.39
4.	DJ Agri Industries Private Limited	8,590	0.01	01.04.2018		Nil movement		
				31.03.2019			8,590	0.01
5.	Dhara Jaipuria	10	0.00	01.04.2018		Nil movement		
				31.03.2019			10	0.00
6.	Devyani Jaipuria	-	-	01.04.2018	0.00	Nil movement		
				31.03.2019			10	0.00

iv) Shareholding Pattern of top ten Shareholders:(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name For each of the Top Ten Shareholders	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2019)	
1	Dunearn Investments (Mauritius) Pte. Ltd.	16,333,333	15.39	01.04.2018		Nil movement		
				31.03.2019			16,333,333	15.39

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name For each of the Top Ten Shareholders	Shareholding at the beginning (01.04.2018) / end of the year (31.03.2019)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2019)	
1	Varun Jaipuria	7,004,726	6.60	01.04.2018	Nil movement	Nil movement		
				31.03.2019			7,004,726	6.60

(V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount and Interest Accrued	2,523.87	-	-	2,523.87
Total	2,523.87	-	-	2,523.87
Change in Indebtedness during the financial year				
Addition	1,886.50	-	-	1,886.50
Reduction	(548.25)	-	-	(548.25)
Net Change	1,338.26	-	-	1,338.26
Indebtedness at the end of the financial year				
Principal Amount Interest Accrued	3,862.12	-	-	3,862.12
Total	3,862.12	-	-	3,862.12

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Mr. Virag Joshi (WTD)
1.	Gross salary	26.38
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	

S. No.	Particulars of Remuneration	Name of MD/WTG/Manager
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify: Contribution to Provident fund	1.29
	Total (A)	27.67
	Ceiling as per the Act	The Company has inadequate profits and complied with

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Rashmi Dhariwal	Dr. Ravi Gupta	Mr. Grish Ahuja	Mr. Ravindra Dhariwal	
	Fee for attending board committee meetings	0.80	0.50	-	-	1.30
	Commission	-	-	-	-	-
	Others, please specify					-
	Total (1)					
2.	Other Non-Executive Directors					
	Fee for attending board committee meetings					-
	Commission					-
	Others, please specify					-
	Total (2)					-
	Total (B)=(1+2)					
	Total Managerial Remuneration	0.80	0.50	-	-	1.30
	Overall Ceiling as per the Act	Rs. .10 million per meeting (Board or Committee)				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTG

S. No.	Particulars of Remuneration	Chief Financial Officer Sanjeev Arora*	Chief Financial Officer Som Nath Chopra**	Company Secretary Lalit Yadav****
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.54	5.79	1.2
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			

S. No.	Particulars of Remuneration	Chief Financial Officer	Chief Financial Officer	Company Secretary
		Sanjeev Arora*	Som Nath Chopra**	Lalit Yadav****
	- as % of profit			
	others, specify – Books & Medical			
5.	Others, please specify: Contribution to Provident fund	0.09	0.27	0.065
	Total	1.629	6.05	1.26

* Som Nath Chopra resigned from the post of Chief Financial Officer of the Company on 20th December 2018.

** Sanjeev Arora was appointed as Chief Financial Officer of the Company w.e.f. 18th January 2019.

****Lalit Yadav resigned from the post of Company Secretary (Key Managerial Personnel) on 28Th March 2019

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

**For and on behalf of Board of Directors of
Devyani International Limited**

Place : Gurugram
Date : September 23, 2019

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN No.: 01821240

Management Discussion & Analysis

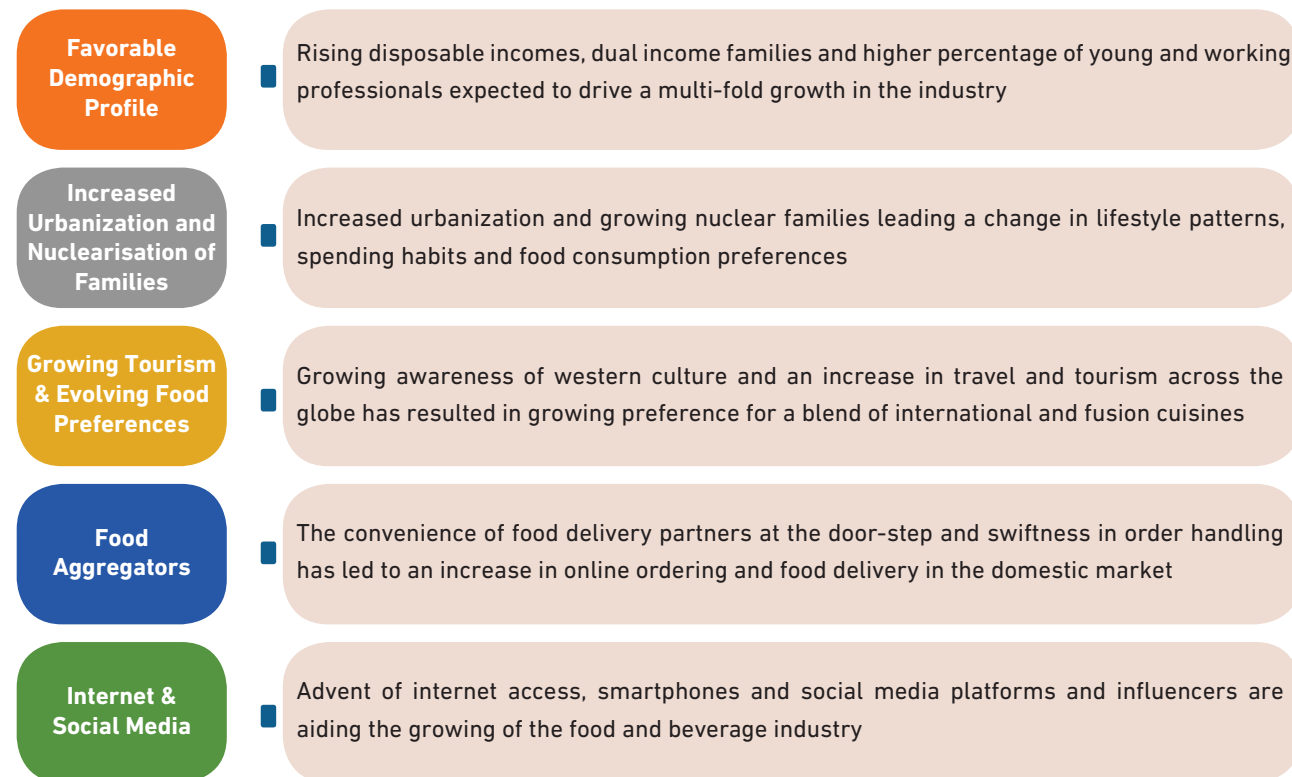
Industry Overview & Outlook

The Indian Restaurants and Food Services Industry has seen a strong growth during the past decade and continues to expand rapidly. The Quick services restaurants (QSRs) channel was worth approximately INR 15,860 crore in 2017. The channel's sales value rose at a CAGR of 11.2% from 2015-2017. This is expected to continue with the channel's sales value forecast to keep rising at an expanded CAGR of 11.5% till 2022. The advent and growth of QSRs, ACDRs (Affordable Casual Dining Restaurants), food court segments, and the taste preference for different cuisines has overall supported the growth of the restaurant market in India. The sector has also seen the government bringing along many changes in terms of uplifting consumer sentiment and encouraging domestic manufacturing in the last two years. The implementation of the 7th PAY commission, GST implementation along with other reforms and favorable economic policies have had a far-reaching positive impact on the country's consumption, both in the urban and rural areas.

Source: Global Data - India – The Future of Foodservice to 2022

Key Drivers for Growth & Opportunity

India is extensively evolving in the food and beverages services industry. The Indian food and beverage industry has a huge potential and there are number of key drivers that influence this growth in the industry as explained below:



Business Overview

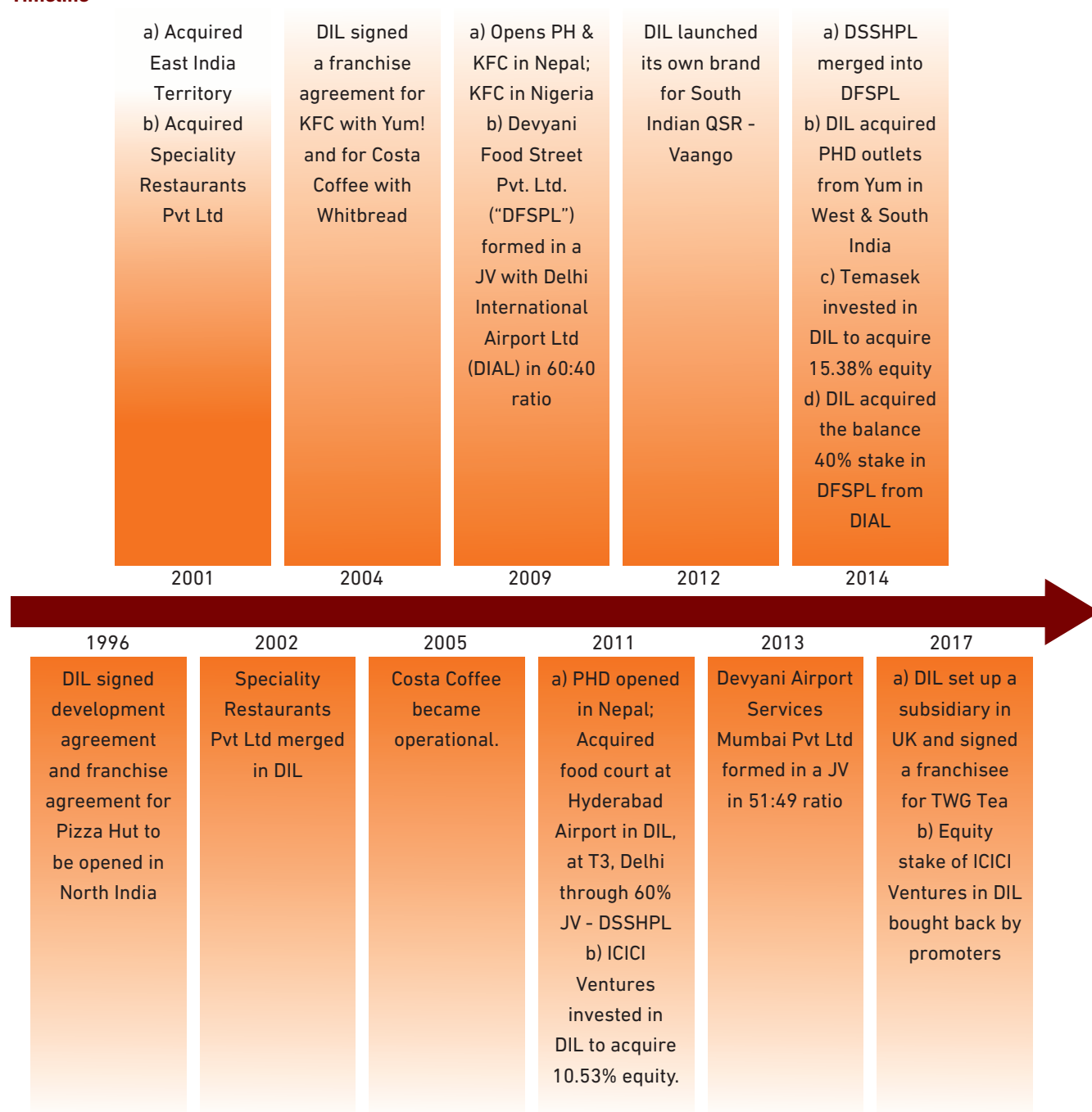
About Us

Devyani International Limited (DIL, the Company) is one of the prominent players in the Quick Service Restaurants (QSR) segment in India. The Company commenced operations in the year 1996 and is the franchisee of KFC, Pizza Hut, and Costa Coffee in India. The Company is the exclusive franchise partner for TWG Tea, one of the world's largest luxury tea chains, in

the Indian market and through its subsidiary in the UK market. DIL, through its subsidiaries, is also a franchisee of KFC and Pizza Hut for Nepal and KFC in Nigeria. With a strong and distinguished track record and a solid expertise of over 2 decades in the QSR segment, the Company also launched its own brand 'Vaango', a world class south Indian QSR chain, in the year 2011. DIL further operates a 'Food Courts, Restaurants and Bars' (FRB) vertical, under which it houses brands such as 'The Food Street' and 'Foodies Bar' apart from others. Currently, under this vertical DIL operates outlets across Food Courts at Airports, Malls, Highways, and Hospitals.

Headquartered in Gurgaon, DIL currently has a growing presence across India, Nepal and Nigeria, operating 660 restaurants and outlets in these regions.

Timeline



Symbiotic relationship with Yum! Brands

The Company enjoys a strong, symbiotic and longstanding relationship with Yum! Brands, Inc. (Yum), spanning over two decades, since their entry in India in the year 1996. DIL is Yum's largest franchise partner in India and accounts for over 60% of the restaurants in India, mainly in the North and East markets. The Company has been granted franchise rights in India, as well as for the territories of Nepal and Nigeria.

DEVYANI
INTERNATIONAL LIMITED

- End-to-end execution
- Investment in construction infrastructure
- Resource management
- Customer management



- Owner of trademark
- Central recipe sheet
- Marketing support
- Innovation & R&D for new product launches

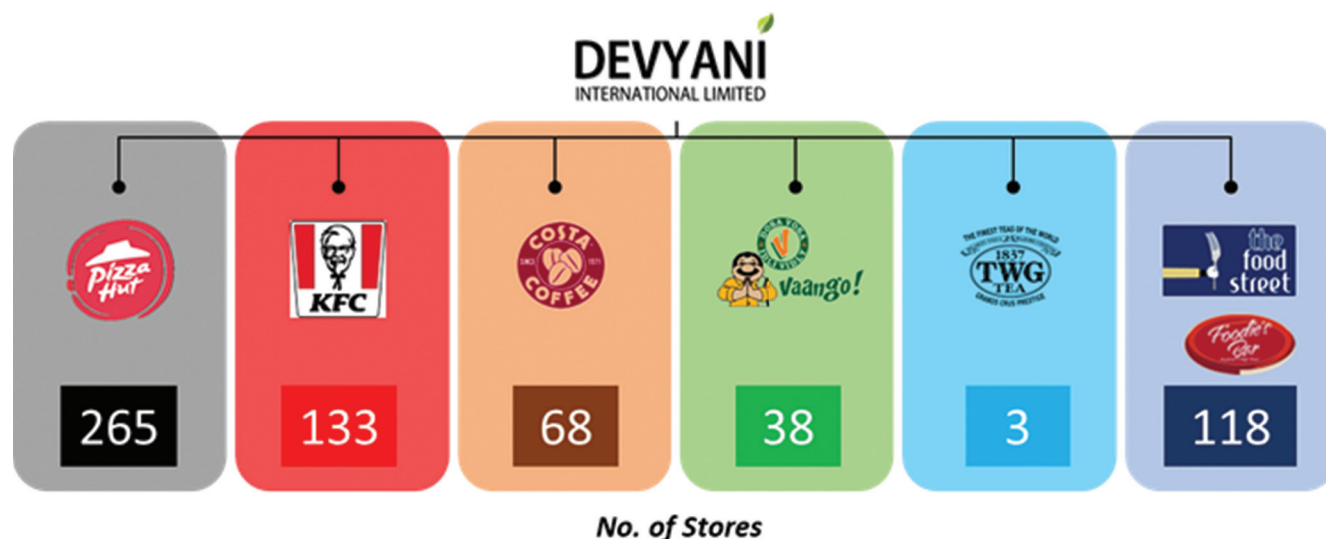
Yum!

DIL's Growing Footprint in the Indian market (including Indian subsidiaries)

FY19	27	3	105	627	11,904	9,791
FY18	24	3	96	530	10,042	7,751
FY17	23	3	87	503	9,097	8,062
Year	States	Union Territories	Cities	Restaurants and outlets	Revenue	Employees

Key Brands / Verticals





Note: DIL India (including Indian subsidiaries)

PIZZA HUT – FY19 SSSG 4%

FY19	20	3	80	265	4,276
FY18	19	3	72	252	3,897
FY17	19	3	68	236	3,635
Year	States	Union Territory	Cities	Restaurants and outlets	Revenue

DIL is the franchise partner of Yum for Pizza Hut in India. Pizza Hut restaurants operate primarily in two formats, first being the Enhanced Dine-In for fine dine experience and second being Pizza Hut Delivery, which provides the options of dine-in, carry out and delivery.

KFC – FY19 SSSG 5%

FY19	19	2	49	133	4,654
FY18	17	2	38	98	3,540
FY17	15	2	28	78	2,964
Year	States	Union Territory	Cities	Restaurants and outlets	Revenue

DIL is the franchise partner of Yum for KFC in India and is the only franchise partner for KFC in Nepal and Nigeria, through its subsidiaries. KFC is the world's No.1 Chicken QSR restaurant and has industry leading stature across many countries like the UK, Australia, South Africa, China, USA, Malaysia and India.

COSTA COFFEE – FY19 SSSG 1%

FY19	9	2	15	68	904
FY18	8	1	13	72	871
FY17	8	2	16	88	904
Year	States	Union Territory	Cities	Restaurants and outlets	Revenue

DIL is the sole franchisee for Costa Coffee chain in the Indian market. Costa coffee has a range of products catering to the

Indian consumers, with varieties of home-grown and exported coffee, tea and cold beverages.

VAANGO – FY19 SSSG 2%

FY19	10	2	17	38	591
FY18	8	1	15	34	517
FY17	7	1	13	33	451
Year	States	Union Territory	Cities	Restaurants and outlets	Revenue

In the year 2011, DIL launched its very own in-house brand 'Vaango', a unique concept-driven restaurant, where one can enjoy authentic South Indian food in a contemporary ambience.

TWG

FY19	-	1	1	3	60
FY18	-	1	1	2	14
FY17	NA	NA	NA	NA	NA
Year	States	Union Territory	Cities	Restaurants and outlets	Revenue

In 2017, DIL acquired the retail and distribution rights in the Indian and UK markets for TWG Tea, one of the world's largest luxury tea chains, from the Singapore-based 'The Wellbeing Group'.

FOOD COURTS, RESTAURANTS & BARS (FRB) – FY19 SSSG 1%

FY19	7	2	12	120*	1,318
FY18	4	1	6	69*	1,116
FY17	5	1	7	65*	1,129
Year	States	Union Territory	Cities	Restaurants and outlets	Revenue

* This number is net of core brand outlets which are shown under respective brands (the total outlets including core brands operated through FRB is 198 in FY19)

DIL's Food Courts, Restaurants & Bars (FRB) vertical was started in 2009 commencing its operations at Terminal 1, IGI Airport at New Delhi. Encouraged from the success, DIL has since expanded this segment to Airports, Hospitals, Malls, and Highways. FRB, under its umbrella, operates its franchise and own brands like KFC, Pizza Hut, Costa Coffee, Vaango and other small relationship third party brand restaurants. Under this segment, the Company also launched its own brands i.e. The Food street and Foodie Bar apart from others.

Key developments during the year

- **Launched 'Open-Kitchen' format in Pizza Hut**
 - o Introduced an 'Open-Kitchen' restaurant format across 20 restaurants in cities like Delhi, Mumbai, Pune and Kota, among others, bringing in higher transparency in the 'food preparation' business
- **New Product Launches**
 - o Pizza Hut: Introduced India's first Black Pan Pizza at just Rs. 99 only - these pizzas are visually stunning and will have a bold black coloured pan pizza base

- o Pizza Hut: Launched Wow Everyday Value – a price proposition across the entire Pan Pizza range. Customers will now have access to the tastiest Pizza Hut pan pizzas at a very attractive price, starting at Rs. 99
- o KFC: Launched the first-ever No-bread Pizza called 'Chizza' – the item was well-appreciated in the markets and received a positive feedback

BUSINESS STRENGTHS



Strong Brand Portfolio

DIL operates a unique business model equipped with a growing portfolio of brands and products

- The Company has four strong international brands in its portfolio, namely KFC, Pizza Hut, Costa and TWG addressing demand across diverse food market segments
- Built on the QSR model, the Company also operates restaurants under its own signature brand called Vaango
- Similarly, under its FRB vertical, DIL operates other fast-food brands such as Food Street & Foodies Bar

Extensive Reach / New city expansion strategy

DIL operates multiple restaurants for its brands across all formats covering High Street, Shopping Malls, Airports, Hospitals, Business Hubs and Highways.

- In India, the Company has a growing presence in over 28 States and 2 union territories and is present in over 105 cities, as of today
- The Company has also grown its presence in the airports category and is currently present at the Mumbai, Delhi, Lucknow, Raipur, Trichy, Srinagar, and Hyderabad Airports
- The selection of location is governed by the ability to absorb multiple brands at multiple locations with an exception in

case of brand premiumization / rent economization

Corporate Governance

DIL sets very high standards of corporate governance and transparency

- DIL's board is represented by equal number of Independent directors which includes veterans in the fields of business, teaching, taxation, law and finance
- The Company is also backed by a strong and efficient management team who possess vast experience in the restaurant, food and beverages industry

Product Quality

The Company is firmly committed to providing the highest level of food safety, hygienic food handling and highest quality final product to its customers

- For KFC, DIL sources Grade-A chicken locally in India from the highest quality and reputed suppliers who meet international safety norms.
- For Pizza Hut, the dough is freshly made at individual restaurants every morning and raw veggies and meat are procured from a hygienic and trust-worthy supplier, approved by both Yum and DIL
- The Company also has a HACCP certified commissary in Gurgaon, which focuses on manufacturing bread & bakery products

Customer Experience

DIL is continuously investing behind building an efficient & robust infrastructure along with interactive brand communication practices.

- Communication practices strongly aligned with consumer needs and preferences, which are targeted at boosting overall customer experience across all restaurants
- KFC and Pizza Hut brands are aggressively expanding presence across digital platforms and social media interactive platforms such as Facebook, Instagram and host live updates and posts to stimulate consumer connect, receive feedback, and resolve issues accordingly

End-to-end Execution

Over the last two decades of operations, the Company has focused on integrating its several business processes to help build a solid business structure

- Streamlined business processes from conceptualization to execution have enabled DIL to set high business standards in the QSR segment in India

Financial Review

DIL reported a stable operational and financial performance in FY19 despite witnessing a challenging external environment. On a consolidated basis, DIL recorded a robust growth of 21% Y-o-Y in revenue from operations at INR 1,344.3 crore as against INR 1,110.6 crore in FY18. Growth in revenues was primarily driven by healthy performance in KFC, TWG Tea and the Company's FRB vertical.

Strategic investments towards establishing new business of TWG in UK & India, resulted in higher expenses, which impacted profitability. Furthermore, during the year DIL also established presence in four new airports that led to increase in operating

expenses. Consolidated PAT during the year stood at a loss of Rs. 66.4 crore.

Particulars (Rs. crore)	FY19	FY18	Y-o-Y
Revenue from Operations (Net)	1344.3	1110.6	21%
EBITDA	80.7	118.0	-32%
EBITDA margin (%)	6.0%	10.6%	- 463 bps
Finance Costs	38.3	30.9	24%
Depreciation and amortization expense	82.9	67.0	24%
Impairment loss/(reversal) of non-financial assets	24.8	(11.9)	NA
Profit / (loss) for the year	(66.4)	31.1	NA

Corporate Social Responsibility (CSR) or Special Initiatives

DIL, over the years, has championed for social responsibility. The Company employs 68 specially-abled people such as the deaf and dumb workers across its restaurants. One of the restaurants in Gurgaon is run by a team of eight specially-abled employees. The activity was an initiative to provide an opportunity for people with speech and hearing impairments. These special people receive the same compensation and career growth opportunities in the organization. The Company supports them in acquiring necessary skills to perform better in their existing roles and developing them for roles that they would take up in the future. Keeping in mind their special needs, training programmes have been suitably customized without compromising the brand and service standards.

The Company initiated its first ever all-female employee restaurants of 15 members' team in Darjeeling, India. Now, the Company plans to further add such restaurants going forward.

Human Resources

As of March 31, 2019, DIL employed 9,000+ employees globally across various verticals. The Company believes in grooming & training fresh talent, making a long-term investment towards imparting interpersonal and organizational skills, crucial for effective functioning. It has a stringent process set in the system so as to get the best out of the people and place them in the right jobs.

DIL has been certified "Great Place to Work" in the Great Place to Work Survey Study 2018. Talent management has always been a key focus area for the Company. There are also reward and recognition policy to make employees feel valued for work. The Company also has various initiatives encouraging its employees to have a better work life balance, in turn for better productivity.

Awards & Recognitions



Outlook

Despite external demand challenges and a weak urban consumption in 2018, the Company reported a healthy revenue growth led by its diversified revenue stream and a robust business model.

On the strategy front, the Company has been making significant strides towards transforming its business model to deliver a stellar customer experience, value-for-money products and significantly enhance its sales across business verticals. The Company's various business brands and verticals are expanding presence into newer markets and are steadily looking at opening new restaurants on a pan-India basis. So DIL will continue to invest behind growth for all its high-performing business verticals. The Company also remains confident of continuing its growth momentum in the years ahead. There are ample growth opportunities in the domestic market space as consumption pattern remain far stronger than before. With improving demand conditions, changing consumer preferences towards eating-out and ordering-in from leading QSRs and rapidly rising per capita consumption, the Company is well positioned to leverage on the high-potential opportunities and grow business across pan-India.

INDEPENDENT AUDITORS' REPORT

To the Members of

Devyani International Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Devyani International Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2019, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (together referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Attention is drawn to Note 40 to the standalone financial statements, which explains the reason for management not providing for any impairment allowance / loss in respect of investment in subsidiary and loan (including interest accrued thereon) granted to the subsidiary amounting to Rs. 720.95 million (previous year Rs. 652.15 million) and Rs. 285.43 million (previous year Rs. Nil), respectively, as at 31 March 2019. Majority of the funds invested in / granted to the subsidiary have further been invested in / granted to a step down subsidiary. In view of continuing losses and increasing uncertainty of achieving the estimated cash flows in relation to this step down subsidiary, we are unable to determine whether any adjustment to the carrying value of the investment in the subsidiary and loan (including interest accrued thereon) granted to the subsidiary as at the year-end would be necessary along with its consequential impact on the standalone financial statements. In respect of the above matter, our audit report for the year ended 31 March 2018 was also similarly qualified.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 50 in the standalone financial statements, wherein it is mentioned that the Company has incurred losses in current year and has accumulated losses as at 31 March 2019, which has resulted in erosion of the net worth of the Company as at 31 March 2019. Further, the Company's current liabilities exceed its current assets as at 31 March 2019. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, as a result of the mitigating factors elaborated in note i.e. projected cash flows of the Company, available revolving undrawn credit facility, current liquidity position and continued financial and operational

support from holding and ultimate holding company, the management is confident of its ability to continue as a going concern and have accordingly, prepared these standalone financial statements on going concern basis. Consequently, no adjustments have been made to the carrying values of the assets and liabilities in the standalone financial statements.

Our qualified audit opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditors' report.

Our qualified audit opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above as it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our

opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) The going concern matter described under the Material Uncertainty Related to Going Concern section above, the matter described in the Basis for Qualified Opinion section above and Qualified Opinion section of Annexure B to this report, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts - Refer Note 18 to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 08 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019 - Refer Note 12 to the standalone financial statements.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 19509209AAAABB9143

Place: Gurugram
Date: 23 September 2019

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAAAFC4998

Place: Gurugram
Date: 23 September 2019

Annexure A referred to in our Independent Auditors' Report to the members of Devyani International Limited on the standalone financial statements for the year ended 31 March 2019

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) Inventories, except for goods-in-transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) Except for the possible effects of the matter described in Basis for Qualified Opinion section of our Auditors' Report on which we are unable to comment, the Company has granted loans to certain companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
 - b) The schedule of repayment of principal and payment of interest has been stipulated. The borrowers are regular in repayment of principal and payment of interest; and
 - c) There is no amount overdue for more than 90 days in respect of the above mentioned loans.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that provisions of Section 185 and 186 of the Companies Act, 2013, as applicable, have been complied with in respect of loans, investments and guarantees given by the Company. There are no securities provided by the Company as specified under Section 185 and 186 of the Companies Act, 2013.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered or goods sold by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, value added taxes, cess, professional tax and other statutory dues have generally been regularly deposited during the year by the Company though provident fund amounting to Rs. 5.54 million and professional tax amounting to Rs. 0.04 million has not been deposited and there have been certain delays in deposition of income tax and value added taxes. As explained to us, the Company did not have any dues on account of sales tax, service tax and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, value added taxes, cess, professional tax and other statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable, except for:

Name of the Statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	2.80	Financial Year 2017-18 and 1 April 2018 to 31 August 2018	15th day of the following month	Nil

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax, sales tax, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2019, other than those mentioned below:

Statement of Disputed Tax Dues

Name of the Statute	Nature of the dues	Amount (Rs. in million)	Period to which amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value added tax (VAT)	8.18	Financial year ("F.Y.") 2009-10, F.Y. 2010-11 and F.Y. 2011-12	Rajasthan High Court & Rajasthan Tax Board
	Interest	1.44		
Service Tax (Finance Act 1994)	Service Tax	6.36	F.Y. 2007-08 to F.Y. 2012-13	Additional Commissioner of Service Tax
Bihar Value Added Tax	VAT*	0.93	F.Y. 2015-16 and F.Y. 2016-17	Commissioner of VAT Bihar
	Penalty	0.93		
Telangana Value Added Tax	VAT	0.70	January 2013 - September 2014	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh
Income-tax Act 1961	Income tax	-	Assessment Year ("A.Y.") 2006-07 to A.Y. 2008-09 and A.Y. 2010-11	High Court**
Income-tax Act 1961	Income tax	-	A.Y. 2007-08	High Court**
Income-tax Act 1961	Income tax	0.28	A.Y. 2011-12	Commissioner of Income tax (Appeal)
Income-tax Act 1961	Income tax	3.64	A.Y. 2017-18	Commissioner of Income tax (Appeal)

*The Company has deposited Rs. 1.86 under protest with the VAT Authorities.

**Revenue authorities have filed an appeal before High Court against order passed by Income Tax Appellate Tribunal in favor of the Company.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks and financial institution. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2019.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for the purpose for which those were raised to the extent utilized during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 19509209AAAABB9143

Place: Gurugram
Date: 23 September 2019

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAA AFC4998

Place: Gurugram
Date: 23 September 2019

Annexure B to the Independent Auditors' Report on the standalone financial statements of Devyani International Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")

We have audited the internal financial controls with reference to financial statements of Devyani International Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Qualified Opinion

According to the information and explanations given to us and based on our audit, following material weakness has been identified as at 31 March 2019:

1. The Company does not have an appropriate internal control process to address the significant uncertainty relating to achievement of projections while computing the recoverable amount to assess the impairment allowance / loss, if any on investment made in a subsidiary and loan granted to a subsidiary in accordance with the requirements of Indian Accounting Standard ("Ind AS"), prescribed under Section 133 of the Act. In the absence of such internal control process, the impact of impairment allowance / loss, if any on investment made in the subsidiary and loan granted to the subsidiary cannot be accurately computed and accounted for in the standalone financial statements of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to the financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as of 31 March 2019, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements for the year ended 31 March 2019 of the Company, and this material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified audit opinion on the standalone financial statements.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed

under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 19509209AAAABB9143

Place: Gurugram
Date: 23 September 2019

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAA AFC4998

Place: Gurugram
Date: 23 September 2019

STANDALONE BALANCE SHEET

As at 31 March 2019

(₹ in millions)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	3,664.33	3,121.01
Capital work-in-progress	5	45.40	26.42
Goodwill	4	9.49	-
Other intangible assets	4	320.99	233.87
Investments in subsidiaries and joint venture	6A	1,316.21	1,257.72
Financial assets			
(i) Investments	6B	17.45	322.68
(ii) Loans	7	1,244.47	751.57
(iii) Other financial assets	8	23.26	20.94
Income tax assets (net)	31	65.58	83.95
Other non-current assets	9	151.63	158.63
Total non-current assets		6,858.81	5,976.79
Current assets			
Inventories	10	361.51	266.57
Financial assets			
(i) Trade receivables	11	425.74	292.41
(ii) Cash and cash equivalents	12	166.74	210.67
(iii) Bank balances other than cash and cash equivalents, above	13	2.30	2.60
(iv) Loans	7	125.89	97.54
(v) Other financial assets	8	5.66	1.87
Other current assets	9	158.65	157.45
Total current assets		1,246.49	1,029.11
Total assets		8,105.30	7,005.90
Equity and liabilities			
Equity			
Equity share capital	14	1,061.67	1,061.67
Other equity	15	1,645.73	2,030.04
Total equity		2,707.40	3,091.71
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	2,730.03	1,969.26
(ii) Other financial liabilities	18	36.79	12.87
Provisions	19	115.86	81.95
Other non-current liabilities	20	6.51	3.20
Total non-current liabilities		2,889.19	2,067.28

	Notes	As at 31 March 2019	As at 31 March 2018
Current liabilities			
Financial liabilities			
(i) Borrowings	17	486.53	0.03
(ii) Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		19.99	2.56
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		944.84	826.79
(iii) Other financial liabilities	18	790.18	667.14
Other current liabilities	20	240.62	315.07
Provisions	19	26.55	35.32
Total current liabilities		2,508.71	1,846.91
Total equity and liabilities		8,105.30	7,005.90

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of
Devyani International Limited**

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 2019

(₹ in millions)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	22	10,581.43	8,806.16
Other income	23	240.37	167.73
Total income		10,821.80	8,973.89
Expenses			
Cost of materials consumed	24	3,210.83	2,627.11
Purchases of stock-in-trade	25	49.93	103.63
Changes in inventories of stock-in-trade	26	(32.12)	(15.51)
Employee benefits expense	27	1,544.65	1,375.68
Finance costs	28	289.07	185.71
Depreciation and amortisation expense	29	564.37	480.45
Impairment loss/ (reversal) of non-financial assets	3 and 4	82.12	(167.96)
Net loss/ (gain) on investment carried at fair value through profit or loss		305.23	(24.39)
Provision for impairment loss in value of investments in subsidiaries and joint venture	6A	84.84	72.32
Other expenses	30	5,101.81	3,790.16
Total expenses		11,200.72	8,427.20
Profit /(loss) before tax		(378.92)	546.69
Tax expense			
Current tax	31	-	-
Deferred tax		-	-
Total tax expense		-	-
Profit / (loss) for the year		(378.92)	546.69

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Other comprehensive income	15		
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		(7.91)	(13.13)
Income tax relating to above mentioned item		-	-
Other comprehensive income, net of tax		(7.91)	(13.13)
Total comprehensive income for the year		(386.83)	533.56
Earnings per equity share of face value of Rs. 10 each	32		
Basic (Rs.)		(3.57)	5.15
Diluted (Rs.)		(3.57)	5.06

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For APAS & Co.
Chartered Accountants
ICAI Firm Registration
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For and on behalf of the **Board of Directors of
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Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
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Date: 23 September 2019

STANDALONE CASH FLOW STATEMENT

For the year ended March 2019

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Profit / (loss) before tax	(378.92)	546.69
Adjustments for:		
Depreciation and amortisation expense	564.37	480.45
Impairment (reversal)/ loss of non-financial assets	82.12	(167.96)
Liabilities no longer required written back	-	(0.92)
Loss/ (gain) on disposal of property, plant and equipment (net)	10.63	(3.68)
Deferred rent amortisation (included in rent expenses)	46.20	26.64
Deferred income amortisation (included in other income)	(1.97)	(1.19)
Bad debts and advances written off	0.69	-
Allowance for doubtful debts	2.90	-
Unrealised foreign exchange loss (net)	30.52	0.12
Interest on borrowings measured at amortised cost	272.72	184.65
Interest accretion on financial liabilities measured at amortised cost	1.80	1.06
Interest expenses-Others	0.31	0.02
Employee stock option scheme expenses	-	1.44
Interest income from bank deposits, loan to subsidiaries and others	(40.77)	(16.90)
Interest income from financial assets at amortised cost	(47.95)	(27.01)
Guarantee commission	(5.94)	(9.25)
Net loss/ (gain) on investments carried at fair value through profit or loss	305.23	(24.39)
Provision for impairment loss in the value of investments	84.84	72.32
Derivatives at FVTPL	5.36	-
Dividend income	(1.25)	(0.68)
Operating profit before working capital changes	930.89	1,061.33
Adjustments for:		
(Increase) in trade receivables	(135.67)	(44.10)
(Increase) in inventories	(94.94)	(4.37)
(Increase) in loans, other financial assets, and other assets	(72.89)	(138.21)
Increase in trade payables, other financial liabilities and other liabilities	99.77	177.20
Cash generated from operating activities	727.26	1,051.89
Income tax (paid)/refund (net)	18.37	(5.16)
B. Net cash generated from operating activities	745.63	1,046.72
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets acquired under business combination	(288.29)	(92.48)
Purchase of property, plant and equipment and other intangible assets other than above (including capital advances)	(1,008.04)	(770.76)
Proceeds from sale of property, plant and equipment and other intangible assets	12.75	17.77

	For the year ended 31 March 2019	For the year ended 31 March 2018
Deposits made with banks	(175.55)	(1.07)
Proceeds from maturity of deposits	173.06	(19.21)
Interest received	28.94	18.19
Purchase of non-current investments	(131.80)	(431.24)
Proceeds from non-current investments	-	20.00
Loan given	(472.85)	(476.01)
Loan instalment received	21.67	179.85
Net cash used in investing activities	(1,840.11)	(1,554.97)
C. Cash flows from financing activities		
Proceeds from secured loans	1,400.00	1,141.24
Proceeds from cash credit facilities from banks	486.50	-
Repayment of secured loans	(577.81)	(532.30)
Interest paid	(258.14)	(183.34)
Net cash generated from financing activities	1,050.55	425.59
Net decrease in cash and cash equivalents during the year (A+B+C)	(43.93)	(82.65)
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	0.02	0.01
D. Cash and cash equivalents at the beginning of the year		
Cash on hand	19.63	13.45
Cash in transit	22.19	6.93
Cheques on hand	-	3.94
Balances with banks:		
-on current accounts	168.85	269.00
	210.67	293.32
E. Cash and cash equivalents as at the end of the year		
Cash on hand	37.69	19.63
Cash in transit	6.86	22.19
Cheques on hand	0.04	-
Balances with banks:		
-on current accounts	122.15	168.85
	166.74	210.67

Notes:

1. The Standalone Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

	For the year ended 31 March 2019	For the year ended 31 March 2018
2. Changes in liabilities arising from financing activities		
Opening balance of secured loans:		
-Indian rupee term loan	2,127.49	1,912.89
-Foreign currency term loan	396.36	-
-Cash credit facilities from banks	0.03	-
Cash flows		
Repayment of secured loans	(577.81)	(532.30)
Proceeds from secured loans	1,400.00	1,141.24
Proceeds cash credit facilities from banks	486.50	0.03
Finance cost paid	(258.14)	(182.04)
Non-cash changes		
Finance cost expense	268.74	180.33
Foreign currency exchange fluctuations	14.24	0.73
Changes in loans received at amortisation cost	4.72	2.99
Closing balance of secured loans		
-Indian rupee term loan	2,980.97	2,127.49
-Foreign currency term loan	394.62	396.36
-Cash credit facilities from banks	486.53	0.03

3. The Company also has, fully available, revolving undrawn credit facility of Rs. 255.03 (previous year: Rs. 303.91) for its future operating activities and to settle its capital commitments.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For **APAS & Co.**
Chartered Accountants
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No.: 000340C

For and on behalf of the **Board of Directors of
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CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

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Date: 23 September 2019

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Date: 23 September 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 2019

(Rupees in millions, except for share data and if otherwise stated)

A. Equity share capital

	Note	For the year ended 31 March 2019		For the year ended 31 March 2020	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	14	106,166,666	1,061.67	106,166,666	1,061.67
Balance at the end of the year		106,166,666	1,061.67	106,166,666	1,061.67

B. Other equity

		Reserves and surplus					
	Note	Securities Premium	Employee stock options outstanding account	General reserve	Retained earnings	Other comprehensive income*	Total
Balance as at 1 April 2017		4,632.61	108.16	5.47	(3,252.49)	-	1,493.75
Profit/ (loss) for the year		-	-	-	546.69	-	546.69
Other comprehensive income for the year (net of tax)	15 b	-	-	-	-	(13.13)	(13.13)
Total comprehensive income for the year		-	-	-	(2,705.80)	(13.13)	533.56
Transferred to retained earnings		-	-	-	(13.13)	13.13	-
Employee stock options scheme expenses	39	-	1.44	-	-	-	1.44
Employee stock option recoverable #		-	1.29	-	-	-	1.29
Balance as at 31 March 2018		4,632.61	110.89	5.47	(2,718.93)	-	2,030.04
Balance as at 1 April 2018		4,632.61	110.89	5.47	(2,718.93)	-	2,030.04
Profit/(loss) for the year		-	-	-	(378.92)	-	(378.92)
Other comprehensive income for the year (net of tax)	15 b	-	-	-	-	(7.91)	(7.91)

		Reserves and surplus					
	Note	Securities Premium	Employee stock options outstanding account	General reserve	Retained earnings	Other comprehensive income*	Total
Total comprehensive income for the year		-	-	-	(3,097.85)	(7.91)	1,643.21
Transferred to retained earnings		-	-	-	(7.91)	7.91	-
Employee stock options scheme expenses	39	-	-	-	-	-	-
Employee stock option recoverable #		-	2.52	-	-	-	2.52
Balance as at 31 March 2019		4,632.61	113.41	5.47	(3,105.76)	-	1,645.73

* Other comprehensive income represents remeasurement of defined benefit plans (net of tax)

Employee stock option expenses recoverable from Devyani Food Street Private Limited (wholly owned subsidiary of the Company) in relation to employee transferred during the previous year.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

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Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

1. Company Information / Overview

Devyani International Limited (the 'Company') is a public limited company domiciled in India, having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi - 110020. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The Company is primarily engaged in the business of operating quick service restaurants for brands such as Pizza Hut, KFC, Costa, Vaango etc. and retail stores for TWG Tea.

2.1 Basis of preparation

(a) Statement of compliance

The standalone financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The standalone financial statements are prepared on accrual and going concern basis.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 23 September 2019

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or at amortised cost (Refer to Note 33).

(c) Critical accounting estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Information about significant areas of estimation / uncertainty and judgements in applying accounting policies that have the most significant effect on the standalone

financial statements are as follows:

- Note 2.2 (h) and 37 - measurement of defined benefit obligations : key actuarial assumptions.
- Note 2.2 (a) and (b) - measurement of useful life and residual values of property, plant and equipment and useful life of other intangible assets.
- Note 2.2 (j) - judgement required to determine probability of recognition of deferred tax assets.
- Note 2.2 (m) and 33 - fair value measurement of financial instruments.
- Note 2.2 (f) impairment assessment of non-financial assets : key assumptions underlying recoverable amount.
- Note 2.2 (m) impairment assessment of financial assets.
- Note 39 - judgement required to determine grant date fair value technique for employee stock option scheme expenses.
- Note 2.2 (q) and 33 - fair value measurement of financial guarantee contracts.
- Note 2.2 (d) - judgement required to ascertain lease classification.
- Note 2.2 (g) and 36 - judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.
- Note 2.2 (b) and 45 - measurement of consideration and assets acquired as part of business combination.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/by the Company.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value of financial instruments measured at fair value through profit or loss and amortised cost are disclosed in Note 33.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements, except for revenue recognition pursuant to adoption of Ind AS 115 'Revenue from Contracts with Customers' with effect from 1 April 2018.

(a) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure which are directly attributable to commissioning of quick service restaurants are capitalised. Other expenditure incurred during the commissioning phase, which is not directly attributable, is charged off to profit or loss.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the profit or loss when property, plant and equipment is derecognised.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to profit or loss at the time of incurrence.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its property, plant and equipment and use that as its deemed cost.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the profit or loss. Depreciation on property plant and equipment is provided on straight line basis based on their useful lives mentioned below and in the manner provided in Schedule II to the Companies Act, 2013.

Depreciation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
Buildings	30
Plant and equipment	12
Furniture and fixtures	6
Electrical fittings	10
Office equipments	10
Computers	6
Utensil and kitchen equipments	10
Smallwares*	4
Vehicles	5

* Included under the head Utensil and kitchen equipments.

Freehold land is not depreciated.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or 10 years, whichever is lower.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II to the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset.

Depreciation is calculated on a pro rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of

depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

(b) Business combinations and other intangible assets

(i) Business combinations

The Company accounts for the business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ('acquisition date'), as are the net identifiable assets (tangible and intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Any goodwill that arises is not amortised but is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the profit or loss.

(ii) Other intangible assets

Other intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of other intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the profit or loss when the asset is derecognised.

Subsequent costs

Subsequent costs is capitalised only when it increases the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on other intangible assets is recognised in profit or loss, as incurred.

Amortisation

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year.

Amortisation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
License fee	Period of license
Computer software	6

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

As permitted by Ind AS 101, the Company, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its other intangible assets and use that as its deemed cost.

Intangible assets under development

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

(c) Inventories

Inventories consists of raw materials which are of a perishable nature and traded goods. Inventories are valued at lower of cost and net realisable value ('NRV'). Raw materials are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their NRV. Cost of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item group level

basis at each reporting date.

(d) Leases

Leased assets

Leases of property, plant and equipment in which significant portion of risks and rewards of ownership are not transferred are classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form is considered. In case, the lease arrangement includes other consideration, it is separated at the inception of the lease arrangement or upon a reassessment of the lease arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

Lease payments

Lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

(e) Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

(f) Impairment - non-financial assets

At each reporting date, the Company reviews the carrying

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amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGU or groups of CGU's that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Provisions and contingent liabilities and assets**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used,

the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(h) Employee benefits**Short-term employee benefits**

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans**Defined contribution plans**

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

Defined benefit plans

Defined benefit plans of the Company comprise gratuity. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting

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occurs upon completion of five years of service.

Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The liability recognised in the Standalone Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefits expense in the profit or loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income and transferred to retained earnings.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in profit or loss as past service cost.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Other long-term employee benefits

Compensated absences

The Company's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to

determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

(i) Share based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme ('ESOS') is recognised as employee stock option scheme expenses in the profit or loss, in relation to options granted to employees of the Company (over the vesting period of the awards) and in relation to options granted to employees of subsidiaries, the amount is disclosed under other financial assets (as receivables from subsidiaries), with a corresponding increase in other equity. The amount recognised as an expense / recoverable from subsidiaries is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(j) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Standalone Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

(k) Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the profit or loss.

(l) Revenue recognition

With effect from 01 April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers' using cumulative effect method which does not require comparative information to be restated in the standalone financial statements. The standard is applied retrospectively only to contracts that were not completed as at the date of initial application (i.e. 01 April 2018). There is no impact on retained earnings as at 01 April 2018. Moreover, the application of Ind AS 115 did not have any impact on recognition and measurement of revenue from operations

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and other related items in the standalone financial statements of the Company.

Under Ind AS 115, revenue is recognised upon transfer of control of promised goods or services to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, performance bonuses, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

Sale of products

Revenue from the sale of manufactured products and traded goods is recognised upon transfer of control of products to the customers which coincides with their delivery to customer and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

Revenue from outdoor catering services is recognised on completion of the respective services agreed to be provided, the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Service income and management fee

Revenue from marketing support services, management fee and auxiliary and business support services are in terms of agreements with the customers and are recognised on the basis of satisfaction of performance obligation over the duration of the contract from the date the contracts are effective or signed provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method.

Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established.

Rental income

Revenue from rentals is recognised over the period of the contract provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Scrap sale

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Guarantee commission

Guarantee commission is recognised using the effective interest rate method.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and initial measurement

Trade receivables and debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are attributable to its acquisition or use.

Classification and subsequent measurement:

Classification

For the purpose of initial recognition, the Company classifies financial assets in following categories:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL. All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the profit or loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial

asset. Any gain or loss on derecognition is recognised in the profit or loss.

Impairment of financial assets (other than at fair value)

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the profit or loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, for an item not at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the profit or loss.

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Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the profit or loss.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the Standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

(n) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise share options granted to employees.

(o) Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

(p) Investment in subsidiaries and joint venture

Investment in equity shares of subsidiaries and joint venture (under Ind AS 27) are carried at cost, less any impairment in the value of investment, in these standalone financial statements. Investment in preference shares of subsidiaries are carried at FVTPL, except where the preference shares meet the definition of equity shares as per Ind AS 32 from the issuer's perspective (i.e. subsidiary), which are carried at cost, less any impairment in the value of investment, in these standalone financial statements.

(q) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model as per Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as investments in the subsidiary.

(r) Share capital

Equity share capital

Issuance of ordinary shares are recognised as equity share capital. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

(s) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

(u) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

(v) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). The standalone financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated.

(w) Recent accounting pronouncements

Standards issued but not yet effective

(a) Ind AS 116, Leases

Ind AS 116 Leases will replace the existing leases standard, Ind AS 17 Leases (Refer accounting policy 2.2 (d)). It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use (ROU) asset representing its right to use the underlying asset on lease and a lease liability representing its obligation to make

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lease payments. The standard is applicable from 1 April 2019.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments using the lessee's incremental borrowing rate as at 1 April 2019 and corresponding ROU asset is measured at an amount equivalent to lease liability. Therefore, there will be no effect of adopting Ind AS 116 on retained earnings as at 1 April 2019 and no restatement of comparative information. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company has elected certain available practical expedients on transition to Ind AS 116.

The nature of expenses presently presented under "Rent" under the head "Other expenses" as per Ind AS 17, will now be presented as per Ind AS 116 in the form of:

- Amortization charge for the ROU asset. Further, ROU asset may be subject to impairment, wherever indicators exist.
- Finance cost from interest accrued on lease liability.

There will be consequent reclassifications in the cash flow categories in the Standalone Cash Flow Statement.

Certain stores and office premises, which are taken on operating lease will now be capitalised under Ind AS 116.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application cannot be estimated reasonably as at present. However, the impact on transition will be significant.

(b) The following amended standards and interpretations are not expected to have a significant impact on the Company's standalone financial statements:

- Appendix C to Ind AS 12, Income taxes

- Amendments to Ind AS 12, Income taxes
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements

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3 Property, plant and equipment

Particulars	Freehold Land	Buildings	Lease hold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross Value											
Balance as at 01 April 2017	103.91	431.93	831.09	1,625.88	80.42	61.63	43.81	147.48	79.14	59.07	3,464.36
Acquisitions through business combination (Refer to Note 45)	-	-	33.08	38.98	2.43	2.90	1.00	0.37	0.40	-	79.16
Other additions during the year	-	-	267.54	277.11	29.87	14.87	27.41	40.21	80.30	1.89	739.20
Disposals during the year	-	-	46.32	43.24	3.93	3.57	1.25	3.73	0.82	1.39	104.25
Balance as at 31 March 2018	103.91	431.93	1,085.39	1,898.73	108.79	75.83	70.97	184.33	159.02	59.57	4,178.47
Acquisitions through business combination (Refer to Note 45)	-	-	177.90	45.41	5.16	23.52	0.04	6.05	0.01	0.11	258.20
Other additions during the year	-	-	362.73	267.44	38.67	0.38	73.88	69.90	70.76	10.09	893.85
Disposals during the year	-	-	58.02	24.94	0.55	1.33	0.60	1.42	2.72	3.32	92.90
Balance as at 31 March 2019	103.91	431.93	1,568.00	2,186.64	152.07	98.40	144.29	258.86	227.07	66.45	5,237.62
Accumulated depreciation											
Accumulated depreciation as at 01 April 2017	-	3.31	119.23	175.02	19.57	12.33	5.11	33.97	14.95	18.05	401.54
Depreciation for the year	-	12.03	113.39	201.95	18.01	9.80	6.20	33.80	23.93	11.90	431.01
Accumulated depreciation on disposal during the year	-	-	29.39	31.53	3.30	2.75	0.99	1.92	0.65	1.06	71.59
Accumulated depreciation as at 31 March 2018	-	15.34	203.23	345.44	34.28	19.38	10.32	65.85	38.23	28.89	760.96
Depreciation for the year	-	12.93	157.15	208.94	23.56	11.00	13.65	39.86	31.48	16.07	514.64

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
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Accumulated depreciation on disposal during the year	-	-	22.01	13.84	0.31	0.82	0.28	0.95	2.39	2.14	42.74
Accumulated depreciation as at 31 March 2019	-	28.27	338.37	540.54	57.53	29.56	23.69	104.76	67.32	42.82	1,232.86
Accumulated impairment											
Accumulated impairment as at 01 April 2017	-	68.04	124.32	234.47	9.83	6.37	6.28	16.85	2.16	10.27	478.59
Impairment loss (Refer to Note 42)	-	15.57	40.65	52.58	3.90	2.21	1.92	3.23	1.43	0.87	122.36
Impairment (reversal) (Refer to Note 42)	-	(41.65)	(66.74)	(147.16)	(5.25)	(3.49)	(3.92)	(9.06)	(1.17)	(5.66)	(284.10)
Accumulated impairment on disposal during the year	-	-	13.61	5.21	0.38	0.61	0.14	0.22	0.12	0.06	20.35
Accumulated impairment as at 31 March 2018	-	41.96	84.62	134.68	8.10	4.48	4.14	10.80	2.30	5.42	296.50
Impairment loss (Refer to Note 42)	-	15.06	46.90	67.67	3.72	2.28	2.97	3.53	7.58	0.85	150.56
Impairment (reversal) (Refer to Note 42)	-	(14.75)	(9.94)	(38.01)	(1.74)	(1.27)	(1.15)	(3.22)	(1.30)	(1.80)	(73.18)
Accumulated impairment on disposal during the year	-	-	22.70	9.00	0.08	0.49	0.22	0.03	0.12	0.81	33.45
Accumulated impairment as at 31 March 2019	-	42.27	98.88	155.34	10.00	5.00	5.74	11.08	8.46	3.66	340.43
Carrying amount (net)											
Net carrying value as at 31 March 2018	103.91	374.63	797.54	1,418.61	66.41	51.97	56.51	107.68	118.49	25.26	3,121.01
Net carrying value as at 31 March 2019	103.91	361.39	1,130.75	1,490.76	84.54	63.84	114.86	143.02	151.29	19.97	3,664.33

Note : For details regarding charge on property, plant and equipment- Refer to Note 16.

Note : For details regarding capitalisation of expenses incurred during construction period- Refer to Note 41.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

4. Goodwill and Other intangible assets

a. Goodwill

Particulars	Goodwill	Total
Gross Value		
Balance as at 01 April 2017	-	-
Balance as at 31 March 2018	-	-
Acquisitions through business combination (Refer to Note 45)	9.49	9.49
Balance as at 31 March 2019	9.49	9.49
Accumulated impairment losses		
Balance as at 1 April 2017	-	-
Balance as at 31 March 2018	-	-
Balance as at 31 March 2019	-	-
Carrying amount (net)		
Net carrying value as at 31 March 2018	-	-
Net carrying value as at 31 March 2019	9.49	9.49

b. Other intangible assets

Particulars	License fee	Computer software	Total
Gross Value			
Balance as at 01 April 2017	203.47	83.20	286.67
Acquisitions through business combination (Refer to Note 45)	13.33	-	13.33
Other additions during the year	68.63	2.81	71.44
Disposals during the year	13.44	0.62	14.06
Balance as at 31 March 2018	271.99	85.39	357.38
Acquisitions through business combination (Refer to Note 45)	20.60	-	20.60
Other additions during the year	121.69	5.97	127.66
Disposals during the year	12.06	0.19	12.25
Balance as at 31 March 2019	402.22	91.17	493.39
Accumulated amortisation			
Accumulated amortisation as at 01 April 2017	29.66	20.99	50.65
Amortisation for the year	31.00	18.44	49.44
Accumulated amortisation on disposal during the year	9.29	0.50	9.79
Accumulated amortisation as at 31 March 2018	51.37	38.93	90.30
Amortisation for the year	33.13	16.60	49.73
Accumulated amortisation on disposal during the year	2.21	0.07	2.28
Accumulated amortisation as at 31 March 2019	82.29	55.46	137.75
Accumulated impairment loss			
Accumulated impairment as at 01 April 2017	33.07	10.63	43.70
Impairment loss (Refer to Note 42)	10.17	1.63	11.80
Impairment (reversal) (Refer to Note 42)	(13.27)	(4.75)	(18.02)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	License fee	Computer software	Total
Accumulated impairment on disposal during the year	4.15	0.12	4.27
Accumulated impairment as at 31 March 2018	25.82	7.39	33.21
Impairment loss (Refer to Note 42)	10.76	1.55	12.31
Impairment (reversal) (Refer to Note 42)	(6.53)	(1.04)	(7.57)
Accumulated impairment on disposal during the year	3.24	0.06	3.30
Accumulated impairment as at 31 March 2019	26.81	7.84	34.65
Carrying amount (net)			
Net carrying value as at 31 March 2018	194.80	39.07	233.87
Net carrying value as at 31 March 2019	293.12	27.87	320.99

Note: There are no internally generated/ developed intangible assets.

5. Capital work-in-progress

Particulars	Total
Balance as at 01 April 2017	57.85
Additions during the year	41.60
Assets capitalised during the year	73.03
Balance as at 31 March 2018	26.42
Additions during the year	83.31
Assets capitalised during the year	64.33
Balance as at 31 March 2019	45.40

6. Non-current investments

	As at 31 March 2019	As at 31 March 2018
6A. Investments in subsidiaries and joint venture		
Investment in unquoted equity shares		
Valued at cost		
Investments in subsidiaries		
Devyani International (Nepal) Private Limited, a wholly owned subsidiary. Principal place of business - Nepal.		
427,966 (previous year: 427,966) equity shares of NPR 100 each, fully paid up	26.77	26.77
Devyani Food Street Private Limited, a wholly owned subsidiary. Principal place of business - India.		
8,908,900 (previous year: 8,908,900) equity shares of Rs. 10 each, fully paid up	175.92	175.92
RV Enterprizes Pte. Limited., Singapore, a subsidiary (Refer to Note 40). Principal place of business - Singapore.		
2,415,579 (previous year: 1,027,286) equity shares of SGD 1 each, fully paid up . The Company's shareholding in the above is 87%	108.93	40.13
Devyani International (UK) Private Limited, a wholly owned subsidiary. Principal place of business - UK.		
4,050,000 (previous year: 3,350,000) equity shares of GBP 1 each, fully paid up	350.82	287.82

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Devyani Airport Services (Mumbai) Private Limited, a subsidiary. Principal place of business - India.		
3,060,000 (previous year: 3,060,000) equity shares of Rs. 10 each, fully paid up. . The Company's shareholding in the above is 51%	84.84	84.84
Provision for impairment loss in the value of investment	(84.84)	-
	662.44	615.48
Investments in joint venture		
Investment in unquoted equity shares		
Valued at cost		
The Minor Food Group (India) Private Limited, a Joint Venture.		
Principal place of business - India.		
7,223,144 (previous year: 7,223,144) equity shares of Rs 10 each, fully paid up	72.32	72.32
Provision for impairment loss in the value of investment	(72.32)	(72.32)
	-	-
Investment in unquoted preference shares		
Valued at cost		
Investments in subsidiaries		
RV Enterprizes Pte. Limited, Singapore, a subsidiary (Refer to Note 40) **		
10,953,525 (previous year: 10,953,525) 1% redeemable preference shares of USD 1 each, fully paid up	612.02	612.02
Other investments in subsidiaries		
- Guarantee given on behalf of Devyani Food Street Private Limited*	26.33	26.33
- Loan given to Devyani International (Nepal) Private Limited^	3.89	3.89
- Guarantee given on behalf of Devyani International (Nepal) Private Limited^^	11.53	-
	41.75	30.22
Aggregate value of unquoted investments in subsidiaries and joint venture	1,316.21	1,257.72
Aggregate provision for impairment in value of investments in subsidiaries and joint venture	157.16	72.32
Provision for impairment loss in value of investments in subsidiaries and joint venture		
Opening provision as at the beginning of the year	72.32	-
Add: Provision created during the year	84.84	72.32
Closing provision as at 31 March 2019	157.16	72.32

**The preference shares are redeemable at the option of the subsidiary RV Enterprizes Pte. Limited, Singapore, hence the same are valued at cost.

*The Company has given financial guarantee to Yes Bank Limited on behalf of Devyani Food Street Private Limited, a

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee has been fair valued and recorded as an additional investment in the wholly owned subsidiary.

^The Company has given loan to Devyani International (Nepal) Private Limited, a wholly owned subsidiary, at interest rate which is lower than the market rate of interest. Such loan has been fair valued and recorded as additional investment in the wholly owned subsidiary.

^^The Company has given financial guarantee to Everest Bank Limited on behalf of Devyani International (Nepal) Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee has been fair valued and recorded as an additional investment in the wholly owned subsidiary.

6B. Investments

	As at 31 March 2019	As at 31 March 2018
Investment in unquoted preference shares		
Valued at fair value through profit or loss		
Investments in subsidiaries		
Devyani Airport Services (Mumbai) Private Limited, a subsidiary		
32,631,344 (previous year: 32,631,344) 8% redeemable, non cumulative and non convertible preference share of Rs. 10 each, fully paid up	-	304.58
Devyani International (Nepal) Private Limited, a wholly owned subsidiary		
400,000 (previous year: 400,000) 5% redeemable, non cumulative and non convertible preference shares of NPR 100 each, fully paid up	17.45	18.10
	17.45	322.68
Aggregate value of unquoted investments	17.45	322.68

There are no quoted investments during the current and previous years.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 33.

7. Loans

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Security deposits- Considered good-Unsecured	324.33	302.49	92.86	57.34
Loans to related parties- Considered good- Unsecured (Refer to Note 35)*	920.14	449.08	33.03	40.20
	1,244.47	751.57	125.89	97.54

* Includes interest accrued on loans to related parties amounting to Rs. 29.65 (previous year: Rs. 1.41).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Disclosure pursuant to Section 186(4) of the Companies Act, 2013:

Terms of interest and repayment	As at 31 March 2019	As at 31 March 2018
1. Unsecured loan of Rs. 20 to Devyani Food Street Private Limited	5.00	20.00
(a) The unsecured loan is repayable in 4 quarterly instalments after completion of 6 months from the date of disbursement. (b) Interest rate is equal to 10% per annum (previous year: 10% per annum). (c) The loan will be utilised for operational activities carried out by the borrower.		
2. Unsecured loan of Rs.60 to Devyani Airport Services (Mumbai) Private Limited	63.62	-
(a) The unsecured loan is repayable in 10 equal quarterly instalments commencing from 30 September 2019. (b) Interest rate is equal to 12% per annum (payable on yearly basis). (c) The loan will be utilised for operational activities carried out by the borrower.		
3. Unsecured loan of Rs. 20 to Devyani International (Nepal) Private Limited	6.41	12.84
(a) The unsecured loan is repayable in 12 equal quarterly instalments commencing from 30 June 2015. As per the roll over letter dated 1 June 2015, the outstanding loan will be repayable in 12 equal quarterly instalments commencing from 30 June 2017. (b) The contractual rate of interest rate is 12% per annum, however pursuant to the monetary policy in Nepal, the Nepal Rastra Bank has restricted the interest payable on the outstanding loan at 5.5% per annum (previous year: 5.5% per annum). Thus, the Company recovers interest equal to 5.5% per annum and the difference is accounted for as investment in subsidiary under Ind AS 109 (Refer to Note 6A). (c) The loan will be utilised for operational activities carried out by the borrower.		
4. Unsecured loan of Rs. 575.42 to Devyani International (UK) Private Limited	592.71	456.44
(a) The unsecured loan is repayable with interest on the completion of the term of the loan on 31 December 2023 (b) Interest rate is equal to LIBOR plus 2.5% per annum (previous year: LIBOR plus 2.5% per annum). (c) The loan will be utilised for meeting the working capital requirements of the borrower.		
5. Unsecured loan of Rs. 276.69 to RV Enterprizes Pte. Limited	285.43	-
(a) The unsecured loan is repayable in one or more tranches before 31 December 2025. (b) Interest rate is equal to LIBOR plus 2.52% per annum. (c) The loan will be utilised for meeting the working capital requirements of the borrower.		
	953.17	489.28

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

8. Other financial assets

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Bank deposits (due for maturity after 12 months from the reporting date) ^ #	23.26	20.94	-	-
Other receivable *	-	-	5.66	1.87
	23.26	20.94	5.66	1.87

^ Bank deposits include Rs.23.26 (previous year : Rs. 20.71) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

Includes interest accrued but not due on bank deposits amounting to Rs. Nil (previous year: Rs. 0.23)

* Includes receivables from related party Rs. 5.62 (previous year: Rs. 1.87). Refer to Note 35.

9. Other assets

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Capital advances	23.05	30.14	-	-
Advances to related parties (Refer to Note 35)	-	-	-	6.81
Other advances:				
- Prepaid expenses	-	-	22.76	16.80
- Deferred rent	126.00	125.41	29.37	28.13
- Balance with statutory/government authorities	2.58	3.08	60.43	70.95
- Advances to employees	-	-	4.44	0.45
- Advance to suppliers	-	-	41.65	34.31
	151.63	158.63	158.65	157.45

10. Inventories

(Valued at lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials including packaging materials [including goods-in-transit of Rs. 35.20 (previous year: Rs. 22.54)]	313.88	251.06
Stock-in-trade	47.63	15.51
	361.51	266.57

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
11. Trade receivables		
Trade receivables		
- Considered good- Unsecured	425.74	292.41
- Credit impaired	2.90	25.53
	428.64	317.94
Less: Impairment allowances for doubtful receivables	(2.90)	(25.53)
	425.74	292.41

Trade receivables includes receivables from related parties amounting Rs. 284.70 (previous year: Rs. 170.76). Refer to Note 35.

The carrying amount of trade receivables approximates their fair value, is included in Note 33.

The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 33.

Details of trade receivables due by directors or other officers of the Company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member are as follows:

	As at 31 March 2019	As at 31 March 2018
The Minor Food Group (India) Private Limited	-	0.14
Alisha Retail Private Limited	3.34	3.92
Diagno Labs Private Limited	1.69	1.51
Modern Montessori International (India) Private Limited	0.38	0.16
	5.41	5.73

12. Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
Balances with banks :		
- On current accounts	122.15	168.85
Cheques on hand	0.04	-
Cash on hand	37.69	19.63
Cash in transit	6.86	22.19
	166.74	210.67

Note: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these standalone financial statements since the requirement does not pertain to financial year ended 31 March 2019.

	As at 31 March 2019	As at 31 March 2018
13. Bank balances other than cash and cash equivalents		
Other bank balances*		
- On deposit account ^	2.30	2.60
	2.30	2.60

*Bank deposits include Rs 0.84 (previous year: Rs.1.51) being bank deposits placed as security under lien with various parties.

^ Includes interest accrued but not due on bank deposits amounting to Rs. 0.01 (previous year: Rs. 0.24)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

14. Share capital	As at 31 March 2019	As at 31 March 2018
Authorised		
125,000,000 (previous year: 125,000,000) equity shares of Rs. 10 each	1,250.00	1,250.00
	1,250.00	1,250.00
Issued, subscribed and fully paid -up		
106,166,666 (previous year: 106,166,666) equity shares of Rs. 10 each	1,061.67	1,061.67
	1,061.67	1,061.67

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and fully paid up				
At the beginning of the year	106,166,666	1,061.67	106,166,666	1,061.67
At the end of the year	106,166,666	1,061.67	106,166,666	1,061.67

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares reserved for issue under options and contracts

For terms and other details of shares reserved for issue under Employee Stock Option Scheme ("ESOS") of the Company- Refer to Note 39.

d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares issued, subscribed and fully paid up				
-RJ Corp Limited, India, holding and ultimate holding company	81,108,607	76.40	81,108,607	76.40
	81,108,607	76.40	81,108,607	76.40

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

e) Particulars of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares issued, subscribed and fully paid up				
-RJ Corp Limited, India, holding and ultimate holding company	81,108,607	76.40	81,108,607	76.40
-Dunearn Investments (Mauritius) Pte Limited	16,333,333	15.38	16,333,333	15.38
-Varun Jaipuria	7,004,726	6.60	7,004,726	6.60

f) For the period of five years immediately preceding the date of the Standalone Balance Sheet, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding the date of the Standalone Balance Sheet.

15. Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
a Reserves and Surplus		
Securities Premium	4,632.61	4,632.61
General Reserve	5.47	5.47
Retained Earnings	(3,105.76)	(2,718.93)
Employee stock options outstanding account (Refer to Note 39)	113.41	110.89
Total	1,645.73	2,030.04

(i) Securities Premium

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	4,632.61	4,632.61
Balance at the end of the year	4,632.61	4,632.61

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General Reserve

Balance at the beginning of the year	5.47	5.47
Balance at the end of the year	5.47	5.47

General reserve are free reserves of the Company which are kept aside out of the Company's profit to meet the future requirements as and when they arise. The Company had, in the previous years, transferred a portion of profit after tax to general reserve pursuant to the earlier provisions of the Companies Act, 1956.

(iii) Retained Earnings

Balance at the beginning of the year	(2,718.93)	(3,252.49)
Add: Profit /(Loss) for the year	(378.92)	546.69
Add: Transferred from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(7.91)	(13.13)
Balance at the end of the year	(3,105.76)	(2,718.93)

Retained earnings are the accumulated profits/ (losses) earned by the Company till date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(iv) Employee stock option outstanding account		
Balance at the beginning of the year	110.89	108.16
Transfer to Employee stock options outstanding account	-	1.44
Employee stock option recoverable #	2.52	1.29
Balance at the end of the year	113.41	110.89

Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer to Note 39 for further details of these plans.

Employee stock option expenses recoverable from Devyani Food Street Private Limited (wholly owned subsidiary of the Company) in relation to employee transferred during the previous year.

b Other comprehensive income- Remeasurement of defined benefit plan (net of tax)

Other comprehensive income for the year

Balance at the beginning of the year	-	-
Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note 37)	7.91	13.13
Transferred to retained earnings	(7.91)	(13.13)
Balance at the end of the year	-	-

Other comprehensive income pertains to remeasurement gains/ (losses) on defined benefit plans.

16. Borrowings

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Term loans (secured) from banks				
Indian rupee term loan	2,433.57	1,571.73	546.23	552.95
Foreign currency term loan	296.46	396.36	98.16	-
	2,730.03	1,968.09	644.39	552.95
Term loans (secured) from other parties	-	1.17	1.17	1.63
	2,730.03	1,969.26	645.56	554.58

The information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 33.

*Current portion of long term borrowings includes interest accrued of Rs. 8.23 (previous year: Rs. 10.26). The same has been included in 'Other current financial liabilities'. Refer to Note 18.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
1	<p>The term loan amounting to Rs. 600 was taken from IndusInd Bank Limited during the year ended 31 March 2013. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The rate applicable is Nil (previous year : 9.9% per annum payable monthly).</p> <p>The term loan was secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. Nil (previous year : Rs. 0.01).</p>	<p>The term loan has been repaid in the current year.</p> <p>In the previous year, one installment amounting to Rs. 14.05 was due within 2 months of the balance sheet date</p>	-	14.05
2	<p>The term loan amounting to Rs. 1,000 was taken from Axis Bank Limited. Loan amounting to Rs. 500 was drawn down during the year ended 31 March 2017 and Rs 500 during the year ended 31 March 2016. The tenure of the loan is 48 months.</p> <p>The interest rate applicable is Axis Bank base rate +1.30 % presently 9.85% p.a. payable monthly (previous year: 9.50% p.a. payable monthly). Interest rate to be reset on an annual basis.</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.06 (previous year : Rs. 3.56).</p>	<p>The term loan is repayable in 11 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20 - Rs. 60 each - 4 instalments during Financial Year 2020-21 - Rs. 60 each - 3 instalments during Financial Year 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 33 months.</p> <p>The term loan is repayable in 15 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2018-19 - Rs. 50 each - 4 instalments during Financial Year 2019-20 - Rs. 60 each - 4 instalments during Financial Year 2020-21 - Rs. 60 each - 3 instalments during Financial Year 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 45 months.</p>	<p>663.85</p> <p>-</p>	<p>-</p> <p>863.97</p>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
3	<p>The term loan amounting to Rs. 300 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 73 months.</p> <p>The interest rate applicable is 9.60% p.a payable monthly (previous year: 9.25% p.a payable monthly).</p> <p>The term loan was secured by :</p> <p>First pari passu charge on all movable property, plant and equipment of the Company both present and future.</p> <p>Second pari passu charge over all current assets of the Company both present and future.</p> <p>First pari passu charge on immovable property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p>	<p>The term loan is repayable in 4 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during Financial Year 2019-20- Rs. 60 - 1 instalment during Financial Year 2020-21- Rs. 60 - 1 instalment during Financial Year 2021-22- Rs. 60 - 1 instalment during Financial Year 2022-23- Rs. 60 <p>Period of maturity from the balance sheet date is 36 months.</p>	242.04	-
		<p>"The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during Financial Year 2018-19- Rs. 60 - 1 instalment during Financial Year 2019-20- Rs. 60 - 1 instalment during Financial Year 2020-21- Rs. 60 - 1 instalment during Financial Year 2021-22- Rs. 60 - 1 instalment during Financial Year 2022-23- Rs. 60 <p>Period of maturity from the balance sheet date is 48 months.</p>	-	302.36
4	<p>The term loan amounting to Rs. 400 was taken from IDBI Bank during the year ended 31 March 2014. The tenure of the loan is 69 months including moratorium period of 10 months.</p> <p>The interest rate applicable is Nil(previous year: 10 % p.a)</p> <p>The term loan was secured by:</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004, along with other lenders.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. Nil (previous year : Rs. 0.02).</p>	<p>The term loan has been repaid during the current year.</p> <p>In the previous year, there were 3 instalments due in the Financial Year 2018-19 - Rs. 20 each</p> <p>Period of maturity from the balance sheet date was 9 months.</p>	-	59.98

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
5	<p>The term loan amounting to Rs. 800 was taken from Ratnakar Bank Limited during the year ended 31 March 2014. The tenure of loan is 66 months including moratorium period of 6 months.</p> <p>The interest rate applicable is 0.60% above RBL base rate presently 10.25 % p.a . (previous year: 9.85 % p.a).</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.01 (previous year : Rs. 0.11).</p>	<p>"The term loan is repayable in 1 quarterly instalment as below mentioned :</p> <p>- 1 instalment during Financial Year 2019-20 - Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 3 months.</p>	19.68	-
	<p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.01 (previous year : Rs. 0.11).</p>	<p>The term loan is repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during Financial Year 2018-19 - Rs. 18.05 each</p> <p>- 1 instalment during Financial Year 2019-20 - Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	-	91.78
6	<p>The term loan amounting to Rs. 150 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 60 months from the date of first disbursement including the 12 month moratorium period.</p> <p>The interest rate applicable is 9.60% p.a payable monthly (previous year: 9.25% p.a., payable monthly).</p> <p>The term loan was secured by :</p> <p>First Pari passu charge on all property, plant and equipment of the Company (both present and future) with minimum 1.0x cover</p> <p>Unconditional and irrevocable personnel guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF).</p> <p>Negative lien on industrial property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 till 31 January 2015 post which the lender will have First pari passu charge by way of equitable mortgage.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.03 (previous year : Rs. 0.49).</p>	<p>"The term loan is repayable in 1 quarterly instalment as below mentioned :</p> <p>- 1 instalment during Financial Year 2019-20- Rs. 9.38</p> <p>Period of maturity from the balance sheet date is 3 months.</p>	9.35	-
	<p>The term loan was secured by :</p> <p>First Pari passu charge on all property, plant and equipment of the Company (both present and future) with minimum 1.0x cover</p> <p>Unconditional and irrevocable personnel guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF).</p> <p>Negative lien on industrial property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 till 31 January 2015 post which the lender will have First pari passu charge by way of equitable mortgage.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.03 (previous year : Rs. 0.49).</p>	<p>The term loan is repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during Financial Year 2018-19 - Rs. 9.38 each</p> <p>- 1 instalment during Financial Year 2019-20 - Rs. 9.38</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	-	46.77

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
7	<p>The term loan amounting to Rs. 750 was taken from Ratnakar Bank Limited during the year ended 31 March 2018. The tenure of the loan is 72 months.</p> <p>The interest rate applicable is 9.70% p.a payable monthly.(previous year: 8.5% p.a.).</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment, both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.97 (previous year : Rs. 4.22).</p>	<p>The term loan is repayable in 19 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20 - Rs. 34.09 each - 4 instalments during Financial Year 2020-21 - Rs. 34.09 each - 4 instalments during Financial Year 2021-22 - Rs. 34.09 each - 4 instalments during Financial Year 2022-23 - Rs. 34.09 each - 3 instalments during Financial Year 2023-24 - Rs. 34.09 each <p>Period of maturity from the balance sheet date is 55 months.</p>	644.76	-
		<p>The term loan is repayable in 22 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during Financial Year 2018-19 - Rs. 34.09 each - 4 instalments during Financial Year 2019-20 - Rs. 34.09 each - 4 instalments during Financial Year 2020-21 - Rs. 34.09 each - 4 instalments during Financial Year 2021-22 - Rs. 34.09 each - 4 instalments during Financial Year 2022-23 - Rs. 34.09 each - 3 instalments during Financial Year 2023-24 - Rs. 34.09 each <p>Period of maturity from the balance sheet date is 67 months.</p>	-	745.76

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
8	<p>The term loan amounting to USD 3.09 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period.</p> <p>The interest rate applicable is fixed rate of 5.25% p.a (previous year: LIBOR + 2.5% p.a) payable monthly.</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 1.50 (previous year : Rs. 2.18).</p> <p>The Company has entered into interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a</p>	<p>The term loan is repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20- USD 0.19 million each - 4 instalments during Financial Year 2020-21- USD 0.19 million each - 4 instalments during Financial Year 2021-22- USD 0.19 million each - 4 instalments during Financial Year 2022-23- USD 0.19 million each <p>Period of maturity from the balance sheet date is 48 months.</p> <p>The term loan is repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20- USD 0.19 million each - 4 instalments during Financial Year 2020-21- USD 0.19 million each - 4 instalments during Financial Year 2021-22- USD 0.19 million each - 4 instalments during Financial Year 2022-23- USD 0.19 million each <p>Period of maturity from the balance sheet date is 60 months.</p>	212.28	-
			-	198.31

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
9	<p>The term loan amounting to USD 3.08 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period.</p> <p>USD 0.43 million was repaid during the Financial Year 2018-19 and the repayment of quarterly installments was rescheduled.</p> <p>The interest rate applicable is fixed 5.5% p.a. payable monthly. (previous year: LIBOR + 2.5% p.a, payable monthly)</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 1.48 (previous year : Rs. 2.18).</p> <p>The Company has entered into Interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a</p>	<p>The term loan repayable in 16 quarterly instalments as below mentioned :</p> <p>- 4 instalments during Financial Year 2019-20- USD 0.17 million each</p> <p>- 4 instalments during Financial Year 2020-21- USD 0.17 million each</p> <p>- 4 instalments during Financial Year 2021-22- USD 0.17 million each</p> <p>- 4 instalments during Financial Year 2022-23- USD 0.17 million each</p> <p>Period of maturity from the balance sheet date is 48 months.</p>	182.34	-
	<p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 1.48 (previous year : Rs. 2.18).</p> <p>The Company has entered into Interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a</p>	<p>The term loan repayable in 16 quarterly instalments as below mentioned :</p> <p>- 4 instalments during Financial Year 2019-20- USD 0.19 million each</p> <p>- 4 instalments during Financial Year 2020-21- USD 0.19 million each</p> <p>- 4 instalments during Financial Year 2021-22- USD 0.19 million each</p> <p>- 4 instalments during Financial Year 2022-23- USD 0.19 million each</p> <p>Period of maturity from the balance sheet date is 60 months.</p>	-	198.06

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
10	<p>The term loan amounting to Rs. 1,000 was taken from IndusInd Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The interest rate applicable is as follows: - 8.85% p.a. payable monthly linked to MIBOR, for first drawdown of Rs. 250 (previous year: Nil) - 9.10% p.a. payable monthly linked to MIBOR, for second drawdown of Rs. 500 (previous year: Nil) - 9.93% p.a. payable monthly linked to MIBOR, for third drawdown of Rs. 250 (previous year: Nil)</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Second Pari passu first charge by way of extension of mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p>	<p>The term is loan repayable in 20 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during Financial Year 2019-20- Rs. 25 each - 1 instalment during Financial Year 2020-21- Rs. 25 - 3 instalments during Financial Year 2020-21- Rs. 37.5 each - 1 instalment during Financial Year 2021-22- Rs. 37.5 - 3 instalments during Financial Year 2021-22- Rs. 50 each - 1 instalment during Financial Year 2022-23- Rs. 50 - 3 instalments during Financial Year 2022-23- Rs. 62.5 each - 1 instalment during Financial Year 2023-24- Rs. 62.5 - 3 instalments during Financial Year 2023-24- Rs. 75 - 1 instalment during Financial Year 2024-25- Rs. 75 <p>Period of maturity from the balance sheet date is 61 months.</p>	1,000.00	-
11	<p>The term loan amounting to Rs. 400 was taken from IDFC Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The interest rate applicable is 9.90 % p.a., payable monthly (previous year: Nil)</p> <p>The term loan is secured by :</p> <p>First pari passu charge on the entire moveable property, plant and equipment of the Company.</p> <p>First pari passu charge on the immovable Property, plant and equipment of the Company situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 and immovable property, plant and equipment of the Company.</p>	<p>The term loan is repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2020-21-Rs. 25 each - 4 instalments during Financial Year 2021-22- Rs. 25 each - 4 instalments during Financial Year 2022-23- Rs. 25 each - 4 instalments during Financial Year 2023-24- Rs. 25 each <p>Period of maturity from the balance sheet date is 60 months.</p>	400.12	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
12	Vehicle loans from Tata Motors Finance Limited represent four vehicle loans taken by the Company during the year ended 31 March 2017. The tenure of the loans is 36 months. Loans from Tata Motors Finance Limited is repayable in 35 monthly instalments. The loans are secured against the respective vehicles. The interest rate applicable to the loans is 9.25% p.a. payable monthly (previous year : 9.25% p.a) The amount of instalment ranging from Rs. 0.35 to Rs. 0.40 per month Period to maturity from the balance sheet date is 8 months (previous year : 20 months)		1.17	2.80
			3,375.59	2,523.84

17. Short term borrowings

	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand from banks		
Cash credit facilities from banks (secured)	486.53	0.03
	486.53	0.03

Terms of Loan	As at 31 March 2019	As at 31 March 2018
The credit facility taken from HDFC Bank carries interest rate of HDFC Bank PLR- 2% p.a, currently 9.15 % p.a. (interest payable on monthly rests). The credit facility is secured by: - First pari passu charge on entire current assets of the company with IDBI Bank. - Second pari passu charge on all property, plant and equipment of the Company.	486.53	-
The credit facility taken from Standard Chartered Bank carries variable interest rate, currently 11.55% p.a. The facility is secured by: - First pari passu charge on stock and book debts of the Company. - Subservient charge over movable fixed assets of the of Company.	-	0.03

18. Other financial liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Current portion of long-term borrowings (Refer to Note 16)	-	-	645.56	554.58
Security deposits payable	21.66	12.87	14.89	9.09
Financial guarantee liability	9.77	-	0.91	-
Derivatives (interest rate swap)	5.36	-	-	-
Capital creditors	-	-	128.82	103.47
	36.79	12.87	790.18	667.14

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

19. Provisions

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits				
Gratuity (Refer to Note 37)	67.69	40.87	4.40	15.60
Compensated absences	48.17	41.08	22.15	19.72
	115.86	81.95	26.55	35.32

20. Other liabilities

Advances from customers	-	-	40.98	19.33
Deferred income	6.51	3.20	2.34	1.27
Statutory dues				
Goods and services tax payable	-	-	53.67	93.23
Tax deducted at source payable	-	-	25.52	22.12
Other statutory dues	-	-	27.85	16.91
Employee related payables	-	-	90.26	162.21
	6.51	3.20	240.62	315.07

Contract balances

The following table provides information about contractual liability (advance from customers) from contract with customers:

	As at 31 March 2019	As at 31 March 2018
Contractual liability	40.98	19.33
	40.98	19.33

Revenue recognised that was included in the contract liability balance at the beginning of the year amounts to Rs. 19.33.

21. Trade payables

	As at 31 March 2019	As at 31 March 2018
Micro enterprises and small enterprises (Refer to Note below)	19.99	2.56
Other than micro enterprises and small enterprises*	944.84	826.79
	964.83	829.35

* Includes payable to related party Rs. 0.29 (previous year: Rs. 1.32) Refer to Note 35
The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 33.

Dues to micro and small enterprises

The amounts remaining unpaid to micro and small suppliers as at the end of the year

	As at 31 March 2019	As at 31 March 2018
- Principal	19.71	2.54
- Interest	0.28	0.02

The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

- -

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	38.41	1.38
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	0.24	0.01
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.28	0.02
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	0.28	0.02

	For the year ended 31 March 2019	For the year ended 31 March 2018
22. Revenue from operations		
Sale of products		
Finished goods	10,288.77	8,556.46
Traded goods	183.32	120.12
Other operating revenues		
Marketing and other support services	44.85	70.73
Management fee	60.38	55.59
Scrap sales	4.11	3.26
	10,581.43	8,806.16

23. Other income

Interest income under effective interest method from:		
-bank deposits	1.86	9.27
-loan to subsidiaries	30.67	6.23
-others	8.24	1.40
Interest income from financial assets at amortized cost	47.95	27.01
Dividend income	1.25	0.68
Other non-operating income :		
-Liabilities no longer required written back	-	0.92
-Rental income	144.46	109.29
-Gain on disposal of property plant and equipment (net)	-	3.68
-Guarantee commission	5.94	9.25
	240.37	167.73

24. Cost of materials consumed
Raw material and packing material consumed

Inventories at the beginning of the year	251.06	262.20
Add: Purchases during the year (net)	3,157.89	2,615.97
Less: Inventories at the end of the year	313.88	251.06
	3,095.07	2,627.11

25. Purchases of stock-in-trade

Purchases of stock-in-trade	165.68	103.63
	165.68	103.63

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
26. Changes in inventories of stock-in-trade		
Opening Stock	15.51	-
Closing Stock	47.63	15.51
Net (increase)/decrease in stock in trade	(32.12)	(15.51)
27. Employee benefits expense		
Salaries, wages and bonus	1,390.45	1,223.60
Contribution to provident and other funds	112.28	110.39
Expenses related to post-employment defined benefit plan (Refer to Note 37)	17.12	15.50
Employee stock option scheme expenses	-	1.44
Staff welfare expenses	24.80	24.75
	1,544.65	1,375.68
28. Finance costs		
Interest expenses		
Interest on borrowings measured at amortised cost	272.72	184.63
Interest accretion on financial liabilities measured at amortised cost	1.80	1.06
Others	0.31	0.02
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost*	14.24	-
	289.07	185.71
* Schedule III to the Companies Act, 2013 requires disclosure of exchange differences arising from foreign currency term loan to the extent that they are regarded as an adjustment to finance cost. The amount of Rs. 14.24 (previous year: Rs. Nil) representing this adjustment has been disclosed in the above note. The remaining exchange loss of Rs. 12.62 (previous year: Rs. Nil) has been disclosed under "Other expenses".		
	For the year ended 31 March 2019	For the year ended 31 March 2018
29. Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer to Note 3)	514.64	431.01
Amortisation of other intangible assets (Refer to Note 4)	49.73	49.44
	564.37	480.45
30. Other expenses		
Power and fuel	726.41	602.39
Rent (Refer to Note 34)	1,812.77	1,280.81
Repairs and maintenance		
- Plant and equipment	143.32	125.10
- Buildings	238.82	190.67
- Others	40.31	35.51
Rates and taxes	34.16	24.86
Travelling and conveyance	87.41	64.75
Legal and professional	23.90	14.12
Auditor's remuneration (Refer to Note below)	10.61	8.61
Water charges	31.55	25.66

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Insurance	6.26	7.15
Printing and stationery	10.78	9.38
Communication	93.03	94.10
Directors' sitting fee	1.53	1.33
Security and service charges	71.60	60.64
Bank charges	6.45	9.84
Advertisement and sales promotion	684.03	399.71
Commission and brokerage	2.59	5.74
Credit card commission and cash pickup charges	105.57	87.01
Royalty and continuing fee	630.24	477.73
Freight, octroi and insurance paid	209.62	193.69
Delivery vehicle running and maintenance	11.19	11.51
Loading and unloading charges	12.96	8.59
Loss on sale of property, plant and equipment (net)	10.63	-
Bad debts and advances written off	0.69	-
Allowance for doubtful debts	2.90	-
Net loss on foreign currency transactions and translations	30.52	0.64
Derivatives at FVTPL	5.36	-
General office and other miscellaneous expenses	56.59	50.62
	5,101.81	3,790.16
Note - Auditor's remuneration		
As auditor		
Statutory audit*	9.44	8.44
Tax matters	0.21	-
Others matters	0.24	-
Outlays	0.72	0.17
	10.61	8.61

*Inclusive of applicable taxes

31. Income Tax

(a) Amounts recognised in the Standalone Statement of Profit and Loss comprises:

Current tax:

Current tax	-	-
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Deferred tax expense:

Attributable to Origination and reversal of temporary differences	-	-
	-	-

(b) Income tax recognised in other comprehensive income

Income tax relating to remeasurement of defined benefit plans	-	-
	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
(c) Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:		
Profit/(Loss) before tax	(378.92)	546.69
Tax using the Company's domestic tax rate: 34.944% (previous year: 34.608%)	(132.41)	189.20
Change in unrecognised temporary differences on long term capital loss	90.87	11.30
Change in unrecognised temporary differences other than above	(16.58)	(32.41)
Recognition of previously unrecognised unabsorbed depreciation	-	(37.20)
Unrecognised unabsorbed depreciation	13.39	-
Rate change impact on deferred tax *	-	(121.22)
Difference in rate **	45.45	5.65
Others	(0.71)	(15.32)
Income tax expense at effective tax rate reported in the Standalone Statement of Profit and Loss	-	-

* Represents the change in enacted tax rate as on the reporting date.

** Represents the difference in tax rate of long term capital gain/loss and items taxed at normal rate

	As at 31 March 2019	As at 31 March 2018
(d) Income tax assets and Income tax liabilities:		
Advance tax (net of provision of tax Rs. Nil) (previous year: Rs. Nil)	65.58	83.95
	65.58	83.95

(e) Deferred tax assets/liabilities

	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment and Other intangible assets (net)	343.75	374.37	-	-	343.75	374.37
Provision for impairment loss in the value of investments in subsidiaries and joint venture #	36.61	16.85	-	-	36.61	16.85
Investment in preference shares at fair value through profit or loss #	77.81	6.68	-	-	77.81	6.68
Other investments in subsidiaries	0.09	0.32	-	-	0.09	0.32
Financial assets at amortised cost	70.60	61.89	-	-	70.60	61.89
Other assets	-	-	(54.29)	(53.66)	(54.29)	(53.66)
Share based payment	38.75	38.75	-	-	38.75	38.75
Financial liabilities at amortised cost	-	-	(6.02)	(6.08)	(6.02)	(6.08)
Other liability	3.10	1.56	-	-	3.10	1.56
Derivatives (interest rate swap)	1.87	-	-	-	1.87	-
Employee related provisions and liabilities	68.74	58.13	-	-	68.74	58.13
Others	1.01	8.92	-	-	1.01	8.92
Unabsorbed depreciation	576.68	563.29	-	-	576.68	563.29
	1,219.01	1,130.76	(60.31)	(59.74)	1,158.70	1,071.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities	(60.31)	(59.74)
Deferred tax assets (to the extent of deferred tax liabilities)	60.31	59.74
Deferred tax assets recognised **	-	-

** As at 31 March 2019 and 31 March 2018, the Company has significant unabsorbed depreciation. Further, there exists no convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Accordingly, the Company has recognised deferred tax asset to the extent of deferred tax liabilities.

There is no convincing evidence that sufficient long term capital gain will be available against which long term capital loss can be realised. Accordingly, no deferred tax asset on long term capital loss has been recognised.

(e) Movement of Deferred tax assets/ liabilities

	As at 31 March 2017	Unrecognised temporary differences	Unrecognised unabsorbed depreciation	As at 31 March 2018	Unrecognised temporary differences	Unrecognised unabsorbed depreciation	As at 31 March 2019
Property, plant and equipment and Other intangible assets (net)	423.95	(49.58)	-	374.37	(30.62)	-	343.75
Provision for impairment loss in the value of investments in subsidiaries and joint venture	-	16.85	-	16.85	19.76	-	36.61
Investment in preference shares at fair value through profit or loss	12.24	(5.56)	-	6.68	71.13	-	77.81
Other investments in subsidiaries	0.59	(0.27)	-	0.32	(0.23)	-	0.09
Financial assets at amortised cost	53.96	7.93	-	61.89	8.71	-	70.60
Other assets	(46.88)	(6.78)	-	(53.66)	(0.63)	-	(54.29)
Share based payment	33.42	5.33	-	38.75	(0.00)	-	38.75
Financial liabilities at amortised cost	(2.42)	(3.66)	-	(6.08)	0.06	-	(6.02)
Other liability	0.26	1.30	-	1.56	1.54	-	3.10
Derivatives (interest rate swap)	-	-	-	-	1.87	-	1.87
Employee related provisions and liabilities	45.83	12.30	-	58.13	10.61	-	68.74
Others	7.89	1.03	-	8.92	(7.91)	-	1.01
Unabsorbed depreciation	600.51	-	(37.22)	563.29	-	13.39	576.68
	1,129.35	(21.11)	(37.22)	1,071.02	74.29	13.39	1,158.70

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

f. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2019		As at 31 March 2018	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Unabsorbed depreciation				
Never expire	1,650.31	576.68	1,611.99	563.29
	1,650.31	576.68	1,611.99	563.29

32. Earnings / (loss) per share (EPS)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit / (Loss) attributable to equity shareholders for calculation of basic and diluted EPS	(378.92)	546.69
Weighted average number of equity shares for the calculation of basic EPS	106,166,666	106,166,666
Effect of dilutive potential equity shares		
– Employee stock options	*	1,892,015
Weighted average number of equity shares for calculation of diluted EPS	106,166,666	108,058,681
Basic earnings / (loss) per share (Rs.)	(3.57)	5.15
Diluted earnings / (loss) per share (Rs.)	(3.57)	5.06
Nominal value per shares (Rs.)	10	10

* As at 31 March 2019, the outstanding potential equity shares had an anti-dilutive effect on EPS, hence there was no dilution of EPS for the year ended 31 March 2019.

33. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2019

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non - current								
(i) Investments	6B	17.45	-	-	17.45	-	-	17.45
(ii) Loans	7	-	-	1,244.47	1,244.47	-	-	1,244.47
(iii) Other financial assets*	8	-	-	23.26	23.26			
Current**								
(i) Trade receivables*	11	-	-	425.74	425.74			
(ii) Cash and cash equivalents*	12	-	-	166.74	166.74			
(iii) Bank balances other than cash and cash equivalents. above *	13	-	-	2.30	2.30			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
(iv) Loans	7	-	-	125.89	125.89	-	-	125.89
(v) Other financial assets*	8	-	-	5.66	5.66			
Total		17.45	-	1,994.06	2011.51			
Financial liabilities								
Non - current								
(i) Borrowings#	16	-	-	2,730.03	2,730.03	-	2,730.03	-
(ii) Other financial liabilities	18							
Security deposits payable		-	-	21.66	21.66	-	-	21.66
Financial guarantee liability		-	-	9.77	9.77	-	-	9.77
Derivatives (interest rate swap)		5.36	-	-	5.36	-	5.36	-
Current								
(i) Borrowings#	17	-	-	486.53	486.53	-	486.53	-
(ii) Trade payables*	21	-	-	964.83	964.83			
(iii) Other financial liabilities	18							
Current portion of long-term borrowings#		-	-	645.56	645.56	-	645.56	-
Security deposits payable		-	-	14.89	14.89	-	-	14.89
Capital creditors*		-	-	128.82	128.82			
Financial guarantee liability		-	-	0.91	0.91	-	-	0.91
Total		5.36	-	5,003.00	5,008.36			

(ii) As on 31 March 2018

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non - current								
(i) Investments	6B	322.68	-	-	322.68	-	-	322.68
(ii) Loans	7	-	-	751.57	751.57	-	-	751.57
(iii) Other financial assets*	8	-	-	20.94	20.94			
Current**								
(i) Trade receivables*	11	-	-	292.41	292.41			
(ii) Cash and cash equivalents*	12	-	-	210.67	210.67			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	2.60	2.60			
(iv) Loans	7	-	-	97.54	97.54	-	-	97.54
(v) Other financial assets*	8	-	-	1.87	1.87			
Total		322.68	-	1,377.60	1,700.28			
Financial liabilities								
Non - current								
(i) Borrowings#	16	-	-	1,969.26	1,969.26	-	1,969.26	-
(ii) Other financial liabilities	18	-	-	12.87	12.87	-	-	12.87
Current								
(i) Borrowings#	18	-	-	0.03	0.03	-	0.03	-
(ii) Trade payables*	21	-	-	829.35	829.35			
(iii) Other financial liabilities	18							
Current portion of long-term borrowings#		-	-	554.58	554.58	-	554.58	-
Security deposits payable		-	-	9.09	9.09	-	-	9.09
Capital creditors*		-	-	103.47	103.47			
Total		-	-	3,478.65	3,478.65			

** For details regarding charge on such current financial assets - Refer to Note 16

The Company's borrowings have fair values that approximate to their carrying amounts as they are based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables, capital creditors approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

The fair values for loan were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values for security deposits payable and financial guarantee liability were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2019 and 31 March 2018.

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

-Fair value of derivatives using dealer quotes for similar instruments (on marked to market value as on balance sheet date of such derivative transaction)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

-Fair value of non-derivative financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team performs valuation either internally or externally through valuers and reports directly to the senior management. Discussions on valuation and results are held between the senior management and valuation team on annual basis.

Significant inputs

Significant unobservable input used in Level 3 fair values of investments measured at FVTPL is discount rate which is weighted average cost of borrowing of the Company plus spread of corporate guarantee commission which is 11.81% (previous year: Rs. 10.55%) and estimated cash flows of respective companies in which investment in preference shares is made.

Significant inputs used in Level 2 fair value of derivatives measured at FVTPL is marked to market value as on balance sheet date of such derivative transaction.

Reconciliation of Level 3 recurring fair value measurement is as follows:

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Investments in Preference shares		
Balance at the beginning of the year	322.68	184.82
Additions during the year	-	128.50
Disposals during the year	-	15.03
Unrealised Gain/(Loss) recognised in profit or loss*	(305.23)	24.39
Balance at the end of the year	17.45	322.68

* Unrealised gains/(losses) recognised in profit or loss under "Net loss/ (gain) on investment carried at fair value through profit or loss"

Sensitivity analysis of significant unobservable input

For the fair values of investments measured at FVTPL, reasonably possible change at the reporting date in the discount rate, would have the following effects on fair value of investments and consequently on profit or loss of the Company-

	For the year ended 31 March 2019	For the year ended 31 March 2018
Increase/ (decrease) in loss		
Discount Rate		
(Increase by 1%)	0.84	9.11
(Decrease by 1%)	(0.89)	(9.63)

For the fair values of investments measured at FVTPL, reasonably possible change at the reporting date in the expected cash flows of respective companies in which investment in preference shares is made, would have the following effects on fair value of investments and consequently on profit or loss of the Company-

	For the year ended 31 March 2019	For the year ended 31 March 2018
Increase/ (decrease) in loss		
Expected cash flows		
(Increase by 1%)	-	-
(Decrease by 1%)	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market Risk - Foreign Currency; and
- Market Risk - Interest Rate

Risk Management Framework

The Board of Directors of the Company is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the Company's activities.

The Board of Directors oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Loans	1,370.36	849.11
(ii) Investments	17.45	322.68
(iii) Trade receivables	425.74	292.41
(iv) Cash and cash equivalents	166.74	210.67
(v) Bank balances other than cash and cash equivalents, above	2.30	2.60
(vi) Other financial assets (current and non-current)	28.92	22.81

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under Bank balances other than cash and cash equivalents, above) and Other financial assets is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loans primarily represents security deposits given to lessors for premises taken on lease and loans given to subsidiaries. Such deposits will be returned to the Company on vacation of the premises or termination of the agreement whichever is earlier. Loan to subsidiaries will be repaid as per the terms of the agreement and there has been no default in repayment of such loans by subsidiaries.

The exposure to the credit risk at the reporting date is primarily from loan to subsidiaries, security deposit receivables and investment in subsidiaries. The Investment and Borrowing Committee monitors the investment in subsidiaries and loans granted to subsidiaries and it evaluates if any impairment is required. As at year end, Investment and Borrowing Committee based on the internal and external valuation and after assessing the performance of the subsidiaries, is of the view that no impairment is required other than investment in The Minor Food Group (India) Private Limited and Devyani Airport Services (Mumbai) Private Limited both of which are fully impaired. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Nepal. Trade receivables also includes receivables from credit card companies which are generally realisable on fortnightly basis. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however, the Company based upon past trends determines an impairment allowance for loss on receivables (other than receivables from related parties) outstanding for more than 180 days past due. For receivables from related parties, impairment allowance is made on receivables outstanding for more than 365 days past due. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company's exposure to credit risk for trade receivables is as follows:

For trade receivables other than receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2019	As at 31 March 2018
Not due	124.72	80.53
1-90 days past due*	11.52	14.66
91 to 180 days past due*	4.80	26.46
More than 180 days past due #	2.90	25.53
	143.94	147.18

For trade receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2019	As at 31 March 2018
Not due	126.59	66.34
1-90 days past due*	74.81	9.27
91 to 180 days past due*	31.72	27.46
181 to 365 days past due *	51.58	67.69
More than 365 days past due #	-	-
	284.70	170.76

* The Company believes that the unimpaired amounts that are past due for less than 180 days in case of receivables from other than related parties and 365 days in case of receivables from related parties are still collectible in full, based on historical payment behavior, and subsequently collected.

The Company based upon past trends determines an impairment allowance for doubtful receivables (other than receivables from related parties) outstanding for more than 180 days past due. For receivables from related parties, impairment allowance is made on receivables outstanding for more than 365 days past due.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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Movement in the allowance for impairment in respect of trade receivables	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	25.53	25.53
Bad debts written off	(25.53)	-
Impairment allowances for doubtful receivables	2.90	-
Balance at the end of the year	2.90	25.53

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalents and bank deposits maturing within a year (including bank deposits under lien and excluding interest accrued but not due) of Rs. 169.04 (previous year: Rs. 213.03), anticipated future internally generated funds from operations, its fully available, revolving undrawn credit facility of Rs. 255.03 (previous year: Rs. 303.91) and certain other current assets (financial and non financial) of Rs. 918.80 (previous year: Rs. 665.45) will enable it to meet its future known obligations due in next year, in the ordinary course of business. In the year ended 31 March 2019, the Company has earned a cash inflow from operating activities of Rs.745.30 (previous year: Rs. 1,046.71). Further, the Company generated an Earnings before Tax and Depreciation and Impairment of Rs. 657.65 (previous year: Rs. 907.10). Based on the projections, the Company expects to earn cash inflow from operating activities, which can be used to settle liabilities. However, if a liquidity needs were to arise, the Company believes it has access to financial and operational support from RJ Corp Limited (holding and ultimate holding company), other external financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

As at 31 March 2019

Non-derivative financial liabilities	Contractual cash flows					
	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Long term borrowings including current portion	3,375.59	361.03	288.16	2,659.45	75.00	3,383.64
Trade payables	964.83	964.83	-	-	-	964.83
Security deposits payable	36.55	12.54	2.60	14.44	16.15	45.73
Financial guarantee liability	10.68	-	-	-	10.68	10.68
Short term borrowings	486.53	486.53	-	-	-	486.53
Capital Creditors	128.82	128.82	-	-	-	128.82
	5,003.00	1,953.75	290.76	2,673.89	101.83	5,020.23

As at 31 March 2019

Derivative financial liabilities	Contractual cash flows					
	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Interest rate swap	5.36	-	-	-	5.36	5.36
	5.36	-	-	-	5.36	5.36

As at 31 March 2018

Non-derivative financial liabilities	Contractual cash flows					
	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Long term borrowings including current portion	2523.84	314.06	243.87	1,876.42	102.27	2,536.62
Trade payables	829.35	829.35	-	-	-	829.35
Security deposits payable	21.96	8.19	0.96	12.89	4.54	26.58
Short term borrowings	0.03	0.03	-	-	-	0.03
Capital Creditors	103.47	103.47	-	-	-	103.47
	3,478.65	1,255.10	244.83	1,889.31	106.81	3,496.05

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

A. Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Fixed- rate instruments

	As at 31 March 2019	As at 31 March 2018
Indian rupee term loan	1.17	2.80
Impact of interest rate swaps	394.62	-
	395.79	2.80

Variable - rate instruments

	As at 31 March 2019	As at 31 March 2018
Indian rupee term loan	2,979.80	2,124.68
Short term borrowings	486.53	-
Foreign currency term loan	394.62	396.36
Impact of interest rate swaps	(394.62)	-
	3,466.33	2,521.04

Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from Financial institutions (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2019	(28.48)	28.48
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2018	(10.26)	10.26

The Company is exposed to interest rate risk on account of variable rate borrowings. The Company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time. The Company has used interest rate swaps to mitigate its interest rate risk arising from certain transactions, these are recognised as derivatives.

B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies

Exposure to Foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

March 2019 and 31 March 2018 are as below:

Particulars	Currency	As at 31 March 2019		As at 31 March 2018	
		Amount (in foreign currency)	Amount (in Rs.)	Amount (in foreign currency)	Amount (in Rs.)
Financial Assets					
Trade receivables	USD	-	-	0.39	25.61
Other receivables	GBP	0.02	1.81	-	-
Loans to related party	GBP	6.55	592.77	5.01	456.43
	USD	4.13	285.44	-	-
Total Financial Assets		-	880.02	-	482.04
Financial Liabilities					
Trade payables	GBP	0.11	10.27	0.13	11.87
Foreign currency loans from banks	USD	5.70	394.62	6.17	396.36
Total Financial Liabilities		-	404.89	-	408.23

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2019 (previous year ending as on 31 March 2018) would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss for the year ended 31 March 2019		Profit or Loss for the year ended 31 March 2018	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	1.09	(1.09)	3.71	(3.71)
GBP	(5.84)	5.84	(4.45)	4.45

Particulars	Equity (net of tax) for the year ended 31 March 2019		Equity (net of tax) for the year ended 31 March 2018	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	1.09	(1.09)	3.71	(3.71)
GBP	(5.84)	5.84	(4.45)	4.45

USD: United States Dollar, GBP: Great British Pound.

34. Operating leases

a) The Company has taken various premises on operating lease for running its Restaurants and Restaurant Support Centre (RSC). The lease term is generally for 3-12 years and are extendable by mutual consent on expiry of the lease. The leases generally have a lock-in-period and are cancellable in nature at the option of the lessee thereafter. The lease agreements have an escalation clause, which is in line with general inflation rate.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

(b) During the year, lease payments under operating leases amounting to Rs. 1,812.77 (previous year Rs. 1,280.81) have been recognised as an expense in the Standalone Statement of Profit and Loss. Further, rent paid for new stores, during the construction period amounting Rs. 0.42 (previous year Rs. 1.28) has been capitalised as part of leasehold improvements. In certain operating lease agreements, the Company is required to pay a contingent rent, which is computed as a fixed percentage of the revenue earned from that particular store. During the year, the Company has paid Rs. 346.81 (previous year Rs. 125.94) on account of such contingent rent as a fixed percentage of actual sales.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable within one year	1,461.59	825.43
Payable between one and five years	5,557.66	3,428.18
Payable after five years	3,630.20	1,884.90
Total	10,649.45	6,138.51

Non-cancellable operating lease rentals receivable (minimum lease receipts) under these leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable within one year	82.95	44.78
Receivable between one and five years	139.93	55.81
Receivable after five years	50.01	46.30
	272.89	146.89

Income from sub-lease of Rs. 144.46 (previous year: Rs. 109.29) has been recognised in the Standalone Statement of Profit and Loss.

35. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (Subsidiary of R V Enterprizes Pte. Limited)

(d) Joint Venture

The Minor Food Group (India) Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited (Incorporated on 4 April 2017)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

(d) Joint Venture

The Minor Food Group (India) Private Limited

(e) Key management personnel:

Mr. Ravi Kant Jaipuria - Director

Mr. Raj. P. Gandhi- Director

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director

Mr. Sanjay Kumar Sareen- Chief Financial Officer (from 8 December 2016 till 3 August 2017)

Mr. Som Nath Chopra- Chief Financial Officer and Additional Director (from 9 August 2017 till 20 December 2018)

Mr. Sanjeev Arora- Chief Financial Officer and Director (with effect from 18 January 2019)

Mr. Girish Ahuja- Independent Director (till 17 March 2018)

Ms. Rashmi Dhariwal- Independent Director (with effect from 06 April 2018)

Dr. Ravi Gupta - Independent Director (with effect from 06 April 2018)

Mr. Lalit Yadav - Company Secretary (from 4 December 2017 till 28 March 2019)

Mr. Ravindra Dhariwal - Independent director (till 17 March 2018)

(f) Other related parties - Entities which are joint ventures or subsidiaries or where control/significant

influence exists of parties as given in (I) and (II) above :

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Diagno Labs Private Limited

(III) Transactions with related parties during the year ended 31 March 2019 and 31 March 2018

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Sale of products (Finished goods)		
Devyani Food Street Private Limited	26.10	10.02
Lineage Healthcare Limited	0.12	0.17
Modern Montessori International (India) Private Limited	2.27	2.30
Champa Devi Jaipuria Charitable Trust	45.36	41.84
RJ Corp Limited	0.49	0.44
Alisha Retail Private Limited	6.81	12.70
Devyani Food Industries Limited	51.73	39.27
Varun Beverages Limited	3.49	3.13
Mala Jaipuria Foundation	1.49	1.17
(ii) Sale of products (Traded goods)		
Devyani Food Street Private Limited	56.20	55.31
Devyani International (Nepal) Private Limited	27.49	25.96
Devyani Airport Services (Mumbai) Private Limited	7.26	2.18
Champa Devi Jaipuria Charitable Trust	-	0.57
RJ Corp Limited	0.01	0.12
Alisha Retail Private Limited	-	0.05
Varun Beverages Limited	0.83	0.48
Lineage Healthcare Limited	-	0.03
(iii) Marketing and other support services (Other operating revenue)		
Devyani Airport Services (Mumbai) Private Limited	0.47	0.26
Devyani Food Industries Limited	-	7.50
Lineage Healthcare Limited	0.06	0.07
Champa Devi Jaipuria Charitable Trust	-	0.87
(iv) Management fee (Other operating revenue)		
Devyani International (Nepal) Private Limited	10.42	6.00
Devyani Food Street Private Limited	49.96	49.59
(v) Sale of property, plant and equipment		
Devyani Food Street Private Limited	0.46	4.58
Devyani International (Nepal) Private Limited	-	1.56
Alisha Retail Private Limited	0.48	0.15
Diagno Labs Private Limited	0.15	1.28
(vi) Purchase of raw materials		
Varun Beverages Limited	84.56	111.66
Devyani Food Industries Limited	0.41	3.74
Alisha Retail Private Limited	1.74	0.51

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
(vii) Purchase of property, plant and equipment		
Alisha Retail Private Limited	0.13	0.21
Devyani Airport Services (Mumbai) Private Limited	0.35	-
The Minor Food Group (India) Private Limited	0.52	-
(viii) Loan given		
Devyani Food Street Private Limited	-	20.00
Devyani Airport Services (Mumbai) Private Limited	60.00	-
Devyani International (UK) Private Limited	126.56	455.44
RV Enterprizes Pte. Limited	286.29	-
(ix) Loan and interest recovered		
Devyani Food Street Private Limited	16.33	105.00
Devyani Airport Services (Mumbai) Private Limited	-	68.18
Devyani International (Nepal) Private Limited	7.68	6.67
(x) Payment to gratuity trust		
DIL Employee Gratuity Trust	10.00	25.00
(xi) Expenses incurred by other company on behalf of the Company		
Devyani Food Street Private Limited	-	0.04
Alisha Retail Private Limited	0.03	-
Devyani Food Industries Limited	0.02	-
Varun Beverages Limited	0.00	0.62
(xii) Expenses incurred on behalf of other company		
Devyani Food Street Private Limited	2.52	2.28
Devyani Airport Services (Mumbai) Private Limited	-	0.02
The Minor Food Group (India) Private Limited	0.60	-
(xiii) Rent expense		
S V S India Private Limited	0.06	0.06
Alisha Retail Private Limited	0.10	-
(xiv) Rental income		
The Minor Food Group (India) Private Limited	0.83	1.28
Alisha Retail Private Limited	3.82	5.48
Devyani Food Street Private Limited	2.40	2.40
(xv) Dividend income		
Devyani Food Street Private Limited	-	0.02
Devyani International (Nepal) Private Limited	1.25	0.66

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
(xvi) Guarantee commission income		
Devyani Food Street Private Limited	3.89	4.95
Devyani International (UK) Private Limited	1.20	0.58
Devyani International (Nepal) Private Limited	0.85	-
(xvii) Royalty and Continuing fee recovered		
Devyani Food Street Private Limited	15.84	14.63
Devyani Airport Services (Mumbai) Private Limited	5.25	5.20
(xviii) Interest income		
Devyani International (Nepal) Private Limited	0.60	0.96
Devyani Airport Services (Mumbai) Private Limited	3.62	2.90
Devyani Food Street Private Limited	1.33	1.38
Devyani International (UK) Private Limited	16.38	0.99
RV Enterprizes Pte. Limited	8.75	-
(xix) Investment in preference shares		
Devyani Airport Services (Mumbai) Private Limited	-	108.48
Devyani International (Nepal) Private Limited	-	25.00
RV Enterprizes Pte. Limited	-	9.95
(xx) Investment in equity shares		
RV Enterprizes Pte. Limited	68.80	-
Devyani International (UK) Private Limited	63.00	287.82
(xxi) Redemption of investment in preference shares		
Devyani Food Street Private Limited	-	20.00
(xxii) Compensation to key managerial personnel		
Short-term employment benefits	34.91	24.15
Post-employment benefits	1.72	1.17
Share- based payments	-	2.48
The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.		
(xxiii) Director's Sitting Fee*		
Mr. Girish Ahuja	-	0.60
Mr. Ravindra Dhariwal	-	0.60
Dr. Ravi Gupta	0.50	-
Mrs. Rashmi Dhariwal	0.80	-

*Excludes applicable taxes.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
(IV) Balances as at 31 March 2019 and 31 March 2018		
(i) Payables		
The Minor Food Group (India) Private Limited	0.29	-
Employee related payable	-	1.32
(ii) Trade receivables		
Devyani International (Nepal) Private Limited	50.72	37.61
Devyani Food Street Private Limited	144.96	75.77
Varun Beverages Limited	2.26	-
Devyani Airport Services (Mumbai) Private Limited	46.51	33.09
The Minor Food Group (India) Private Limited	-	0.14
Alisha Retail Private Limited	3.34	3.92
Devyani Food Industries Limited	26.16	6.42
Modern Montessori International (India) Private Limited	0.38	0.16
Champa Devi Jaipuria Charitable Trust	6.21	10.76
Lineage Healthcare Limited	0.03	0.08
Mala Jaipuria Foundation	1.24	0.65
RJ Corp Limited	1.20	0.65
Diagno Labs Private Limited	1.69	1.51
(iii) Other financial assets - Other receivable		
Devyani Food Street Private Limited (ESOP expense recoverable)	3.81	1.29
Devyani International (UK) Private Limited (Guarantee commission receivable)	1.81	0.58
(iv) Loans and advances*		
Devyani Food Street Private Limited	5.00	20.00
Devyani International (Nepal) Private Limited	6.67	13.75
Devyani Airport Services (Mumbai) Private Limited	63.62	-
RV Enterprizes Pte. Limited	285.43	-
Devyani International (UK) Private Limited	592.71	456.44
* Includes interest accrued on loans to related parties amounting to Rs. 29.65 (previous year: Rs. 1.41)		
(v) Other assets -Advance to Supplier		
'Varun Beverages Limited	-	6.81
(vi) Guarantees/security given by the Company on behalf of other party		
Devyani Food Street Private Limited##	125.00	180.00
Devyani International (Nepal) Private Limited^	156.39	-
Devyani International (UK) Private Limited@@	123.12	117.34

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

The Company has given guarantee to Yes Bank Limited with a limit of Rs. 125.00 (previous year : Rs. 180.00) in respect of borrowings of Devyani Food Street Private Limited.

@@ The Company has given guarantee to Axis Bank Limited with a limit of GBP 1.32 (previous year GBP:1.32) in respect of rent payable to landlord of Devyani International (UK) Private Limited.

^ The Company has given guarantee to Everest Bank Limited with a limit of NPR. 250.00 (previous year : NPR Nil) in respect of borrowings of Devyani International Nepal Private Limited.

	As at 31 March 2019	As at 31 March 2018
(viii) Guarantees/security given by the other party on behalf of the company		
Ravi Kant Jaipuria^	46.41	46.41

^ Mr. Ravi Kant Jaipuria has given personal guarantee to Yes Bank in respect of term loan of Rs. 150 (previous year - Rs. 150) taken during the year ending 31 March 2015

(V) Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business Outstanding balances at year end are unsecured and settlement occurs in cash.

36. Contingent liabilities, commitments and other claims

(to the extent not provided for)

Contingent liabilities and other claims:

(a) Claims against the Company not acknowledged as debts:-

(i) Claims made by Sales tax authorities, Service tax authorities and Income tax authorities

Name of the statute	Nature of the dues	As at 31 March 2019	As at 31 March 2018	Period to which amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value added tax (VAT)	9.62	9.62	Financial year ("F.Y.") 2009-10, F.Y. 2010-11 and F.Y. 2011-12	Rajasthan High Court & Rajasthan Tax Board
Bihar Value Added Tax	VAT	1.86	1.86	F.Y. 2015-16 and F.Y. 2016-17	Commissioner of VAT Bihar
Telangana Value Added Tax	VAT	0.70	-	January 2013 - September 2014	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh
Service Tax (Finance Act 1994)	Service Tax	6.36	6.36	F.Y. 2007-08 to F.Y. 2012-13	Additional Commissioner of Service Tax
Income-tax Act 1961	Income tax	-	6.28	Assessment year ("A.Y.") 2007-08	High Court
Income-tax Act 1961	Income tax	0.28	0.28	A.Y. 2011-12	Commissioner of Income tax (Appeal)
Income-tax Act 1961	Income tax	3.64	-	A.Y. 2017-18	Commissioner of Income tax (Appeal)
		22.46	24.40		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
(ii) Others [Net of counter claim filed by the Company amounting to Rs. Nil (previous year: Rs. Nil)]	35.72	28.24
(b) Guarantees excluding financial guarantees		
Guarantee given to Axis Bank Limited in respect of rent payable to landlord of Devyani International (UK) Private Limited, wholly owned subsidiary of the Company	123.12	117.34
Guarantee given to Evrest Bank Limited in respect of loan taken by Devyani International Nepal Private Limited, wholly owned subsidiary of the Company	156.39	-
Guarantee given to Yes Bank Limited in respect of loan taken by Devyani Food Street Private Limited, wholly owned subsidiary of the Company	125.00	180.00

(c) Others

(i) Liability in respect of statutory bonus for the year ended 31 March 2015 7.45 7.45

(ii) Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicability of the judgement and period from which the same applies. The Company has estimated the impact of the same from 1 March 2019 to 31 March 2019 based on a prospective approach and recognised in the standalone financial statements.

Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years.

Commitments:

	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of Rs. 23.05 (previous year: Rs. 30.14)]	57.72	51.32

The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the standalone financial statements and hence no provision has been set up against these legal proceedings. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

37. Employee benefits

Defined contribution plans

An amount of Rs. 74.31 (previous year: Rs. 76.80) has been recognised as an expense in respect of the Company's contribution to Employee's Provident Fund deposited with the relevant authorities and has been charged to the Standalone Statement of Profit and Loss.

Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

The Company has defined that, in accordance with the terms and conditions of the aforesaid plan and in accordance with statutory requirements (including minimum funding requirements) of the plan of relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less than total present value of obligations.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - 'Employee Benefits'

	As at 31 March 2019	As at 31 March 2018
i. Changes in present value of defined benefit obligation:		
Present value of obligation as at beginning of the year	76.39	66.67
Acquisition adjustment	3.62	-
Interest cost	5.29	4.90
Current service cost	13.21	11.38
Benefits paid	(12.70)	(19.96)
Actuarial (Gain)/Loss recognised in other comprehensive income		
-changes in demographic assumption	-	0.53
-changes in financial assumption	1.00	20.14
-experience adjustment	7.19	(7.27)
Present value of obligation as at end of the year	94.00	76.39
ii. Reconciliation of the present value of plan assets :		
Balance at the beginning of the year	19.92	10.59
Return on plan assets recognised in other comprehensive income	1.78	1.12
Fund Charges	(0.12)	(0.08)
Contribution paid into the plan	10.00	25.00
Benefits paid	(9.67)	(16.71)
Balance at the end of the year	21.91	19.92
Net defined benefit liability/ (asset)	72.09	56.47

iii. Actuarial Assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

assumptions are as follows:

	31 March 2019	31 March 2018
Discounting rate	6.52%	6.84%
Future salary increase	8.00%	8.00%

B. Demographic assumptions

i) Retirement age (years)	58	58
ii) Mortality table	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)
Up to 30 years (Store employees/Back office employees)	50/43	50/43
From 31 to 44 years (Store employees/Back office employees)	37/25	37/25
Above 44 years (Store employees/Back office employees)	30/21	30/21
Assumption regarding future mortality have been based on published statistics and mortality tables		

iv. (a) Expense recognised in profit or loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Employee benefit expenses:		
(a) Current service cost	13.21	11.38
(b) Interest cost	5.29	4.90
(c) Interest income on plan assets	(1.38)	(0.79)
	17.12	15.49
(b) Remeasurements recognised in other comprehensive income		
Actuarial gain/(loss) on defined benefit obligation	(7.91)	(13.13)
	(7.91)	(13.13)
Expense recognised in the Standalone Statement of Profit and Loss	25.03	28.62

v. Reconciliation of statement of expense in the Standalone Statement of Profit and Loss

Present value of obligation as at the end of the year	94.00	76.39
Present value of obligation as at the beginning of the year	(76.39)	(66.69)
Benefits paid	12.70	19.96
Actual return on plan assets	(1.66)	(1.04)
Acquisition adjustment	(3.62)	-
Expenses recognised in the Standalone Statement of Profit or Loss	25.03	28.62

vi. Change in fair value of plan assets:

	As at 31 March 2019	As at 31 March 2018
Opening fair value of plan assets	19.92	10.60
Actual return on plan assets	1.78	1.12
Fund Charges	(0.12)	(0.08)
Contribution by employer	10.00	25.00
Benefits paid	(9.67)	(16.72)
Fair value of plan assets as at year end	21.91	19.92

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

The Company expects to contribute Rs. 16.97 (previous year Rs. 14.31) to gratuity in the next year.

vii. The expected maturity analysis of undiscounted defined benefit liability is as follows

Particulars	Less than a year	Between one to two years	Between two to five years	Over 5 years
31 March 2019	26.31	3.05	13.45	51.19
31 March 2018	21.21	1.09	7.92	46.17

viii. Bifurcation of closing net liability at the end of year	As at 31 March 2019	As at 31 March 2018
Current liability (amount due within one year)	4.40	15.60
Non-current liability (amount due over one year)	67.69	40.87
	72.09	56.47

ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 is as shown below:

	As at 31 March 2019	As at 31 March 2018
Impact of the change in discount rate on defined benefit obligation		
a) Impact due to increase of 1%	(2.36)	(1.96)
b) Impact due to decrease of 1%	2.51	2.09
Impact of the change in salary on defined benefit obligation		
a) Impact due to increase of 1%	2.45	2.05
b) Impact due to decrease of 1%	(2.35)	(1.96)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Standalone Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is expected to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in plan liabilities.

38. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments

As the Company's business activity primarily falls within a single business and geographical segment i.e. food and beverages, and in India, thus there are no additional disclosures to be provided under Ind AS 108 – 'Operating Segments'. The CODM considers that the various goods and services provided by the Company constitutes single business segment.

Segment wise information for the year ended 31 March 2019 and 31 March 2018 are as follows:

Information about geographical area - Income

	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Food and Beverage Segment		
(i) Domestic	10,543.52	8,774.25
(ii) International	37.92	31.91
b. Other income	240.37	192.13
Total	10,821.80	8,998.29

No single external customer amounts to 10% or more of the Company's revenue. Accordingly, information about major customer is not provided.

Revenue from food and beverage segment is directly attributed to domestic and international operations. Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably. Non-current assets other than financial instruments and income tax assets (net)/deferred tax asset (net) primarily comprises of property, plant and equipment which are located in India.

39. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

On 20 September 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was subsequently approved by the shareholders on 20 December 2011. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. ESOS 2011 was amended subsequently and the amendment was approved by the shareholders on 18 May 2012. The resolution provides that Options so granted, shall not represent more than 4,900,000 shares of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting.

A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of Rs. 111.70.

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was subsequently approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the paid up share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of Rs. 306.12.

Under the above schemes, no vesting shall occur until the filing of Red Herring Prospectus ("RHP") by the Company for the purpose of Initial Public Offer ("IPO").

The Options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Condition	Vesting Period	Contractual Period
1	19 May 2012	2,088,200	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	31 December 2020 (Previous year: 31 March 2020)**	1.75 years to 6.75 years
2	31 May 2014	300,000	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	31 December 2020 (Previous year: 31 March 2020)**	1.75 years to 6.75 years
3	21 September 2018	506,000	306.12	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	126,500 Options each on 31 December 2020, 1 January 2021, 1 January 2022 and 1 January 2023*	1.75 years to 6.75 years

*During the year ended 31 March 2019, the expected date of RHP filing has changed from 31 March 2020 to 31 December 2020.

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 21 September 2018	Options granted on 31 May 2014	Options granted on 19 May 2012
Fair value per Option at grant date (in Rs.)	105.28 - 133.03	123.17	56.35 - 57.28
Share price at grant date (in Rs.)	268.99	151.07	93.21
Exercise price (in Rs.)	306.12	111.70	111.70
Expected volatility	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%
Risk-free interest rate	8.06% - 8.11%	9.19%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the Standalone Statement of Profit and Loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Employee stock option scheme expense	-	1.44
	-	1.44

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes are as follows:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	1,871,500	111.70	1,911,500	111.70
Add: Options granted during the year	506,000	306.12	-	-
Less: Options forfeited/ lapsed during the year	12,000	111.70	40,000	111.70
Options outstanding as at the end of the year	2,365,500	153.29	1,871,500	111.70
Options exercisable at the end of the year	-	-	-	-

	As at 31 March 2019	As at 31 March 2018
Weighted average remaining life of options outstanding at the end of year (in years)	6.92	7.00

40. Assessment of Investment in and loans to Subsidiary Company

The Company holds 87% (previous year: 74%) of equity share capital and 76% (previous year: 76%) preference share capital of RV Enterprizes Pte. Limited (hereinafter referred to as subsidiary company). The carrying value of investment as at the year end is Rs. 720.95 (previous year: Rs. 652.15). Further, during the current year, the Company has given a loan to the subsidiary company. The carrying value of the loan to the subsidiary, including interest accrued thereon is Rs. 285.43 at year end. The subsidiary company is a special purpose vehicle, which has invested majority of the funds in Devyani International (Nigeria) Limited (a step down subsidiary) through investment in equity shares and grant of loans of USD 1.64 million (previous year: USD 0.95 million) and USD 16.85 million (previous year: USD 13.78 million), respectively.

During the current and previous years, the step down subsidiary has incurred significant losses. Basis this, management of the subsidiary company had impaired the equity investment made in the step down subsidiary till 31 March 2018, in an earlier period. However, as at 31 March 2019, the subsidiary company has not impaired the loan amounting to USD 16.85 million and additional equity investment made in the current year ended 31 March 2019 of USD 0.69 million ("additional investment"), and the recoverability of the loan and such additional investment has been qualified by the auditor of the subsidiary company. Further, no impairment loss of Property, Plant and Equipment has been recorded in the books of the step down subsidiary. Management of the Company, based on cash flow projections of the step down subsidiary has not recognised any impairment

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

loss on the investment made in and loan given (including interest accrued thereon) to its subsidiary company amounting to Rs. 720.95 (previous year: Rs. 652.15) and Rs. 285.43 (previous year: Nil), respectively.

41. Capitalisation of expenditure incurred during construction period

The Company has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2019 and 31 March 2018. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

	For the year ended 31 March 2019	For the year ended 31 March 2018
Employee benefits expense	23.92	23.48
Other expenses (other expenses mainly includes Legal and professional expenses)	13.98	15.39
	37.90	38.87

42. Impairment of assets

In accordance with Ind AS 36 "Impairment of Assets", the Company has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. Due to higher operating costs or decline in projected sales growth, certain stores have been impaired in the current year and in the previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment and other intangible assets value of these stores aggregating Rs. 240.06 (net of opening provision for impairment of Rs. 104.57) have been reduced to the recoverable amount aggregating to Rs. 77.19 by way of impairment charge of Rs. 162.87. Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 5% - 20% and salary growth rate of 8% consistently, over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.97 % p.a (previous year: 12.63% p.a). Carrying value of a store includes property, plant and equipment, intangible assets used at a store and allocated corporate assets.

Moreover, the impairment reversal of Rs. 80.75 is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to Rs. 777.27 has exceeded the written down value (after considering impairment charge recorded in previous years amounting to Rs. 136.99). Further, impairment reversal also occurs in respect of certain property, plant and equipment at stores which have been closed during the year.

Goodwill amounting to Rs. 9.49 is allocated across multiple stores acquired under business combination during the current year and the amount so allocated to each store is not significant in comparison with the Company's total carrying amount of goodwill. However the entire goodwill allocated over the stores acquired under business combination agreement, is tested for impairment wherein the recoverable amount is calculated based on the same key assumptions as mentioned above. No impairment loss has been recorded on the goodwill amount.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

For goodwill impairment assessment management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/(reversal) would increase/ (decrease) on change in these assumptions by 1%. All other factors remaining constant.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount Rate		
(Increase by 1%)	3.63	7.47
(Decrease by 1%)	(3.70)	(7.76)
Sales Growth Rate		
(Increase by 1%)	(38.02)	(32.17)
(Decrease by 1%)	43.12	45.68
Salary Growth Rate		
(Increase by 1%)	7.83	13.21
(Decrease by 1%)	(7.55)	(11.67)

43. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. Capital management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Board of Directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Company's capital management, capital includes issued share capital, securities premium and all other reserves. Debt includes, Indian rupee term loans and foreign currency term loans.

During the financial year ended 31 March 2019, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

Debt Equity Ratio:

	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	2,730.03	1,969.26
Short term borrowings	486.53	0.03
Current portion of long-term borrowings	645.56	554.58
Total Debt (A)	3,862.12	2,523.87
Equity share capital	1,061.67	1,061.67
Other equity	1,645.73	2,030.04
Total Equity (B)	2,707.40	3,091.71
Debt equity ratio (C= A/B)	142.65%	81.63%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

45. Business Combination

Acquisition of business

The Company acquired four KFC stores on 01 October 2018, six KFC stores on 01 November 2018 and three KFC stores on 01 December 2018 from Yum Restaurants (India) Private Limited ("Yum") on slump sale basis for an estimated purchase consideration of Rs. 311.38. Yum is the franchiser of KFC, Pizza Hut, Taco Bell brand and the Company has acquired stores from Yum in order to expand its operations in Kerala and Goa.

On 01 April 2017, the Company acquired five KFC stores from Hyson Restaurants Private Limited ("Hyson") on slump sale basis for an estimated purchase consideration of Rs. 107.50. Hyson is a prominent player in the restaurant business and the Company had acquired stores from Hyson in order to expand its operations in Kerala.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Assets		
Property, plant and equipment (Refer to Note 3)	258.20	79.16
Other intangible assets (Refer to Note 4)	20.60	13.33
Inventories	8.33	1.80
Other assets (Security deposit)*	18.38	13.21
	305.51	107.50
Liabilities		
Gratuity liability	3.62	-
	3.62	-
Total identifiable net assets at fair value	301.89	107.50
Purchase consideration transferred in cash	311.38	107.50
Goodwill (Refer to Note 4)#	9.49	-

* Gross contract amount receivable is Rs. 42.53.

Not deductible for tax purposes.

The goodwill is attributable to the operational synergies and expansion on market share. It will not be deductible for tax purposes.

Transaction cost of Rs. 0.48 (previous year: Rs.0.14) has been expensed and is included in Other expenses in the Standalone Statement of Profit and Loss and are part of the operating cash flows in the Standalone Cash Flow Statement.

Acquired stores under business combination contributed revenue of Rs. 251.95 (previous year: Rs.122.04) and profit of Rs. 8.09 (previous year loss of: Rs. 13.06) to the Company's profit or loss for the year.

In respect of the business combination the Company does not have access to the records of Yum prior to the date of acquisition and hence, it is impractical to disclose the revenue and profit or loss of the Company alongwith the acquired stores for the current reporting period as though the acquisition date for the business combinations that occurred during the current year had been as of the beginning of the annual reporting period as required by Ind AS 103.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

46. Disclosure pursuant to Section 186(4) of the Companies Act, 2013:

Nature of the transaction (loans given/investments made/ guarantees given)

	For the year ended 31 March 2019	For the year ended 31 March 2018
(A) Loans and advances *		
Devyani Food Street Private Limited	5.00	20.42
Devyani International (Nepal) Private Limited	6.67	13.33
Devyani Airport Services (Mumbai) Private Limited**	63.62	-
RV Enterprizes Pte. Limited **	285.44	-
Devyani International (UK) Private Limited **	592.71	456.43
	953.44	490.18
(B) Investments #		
Investments in equity shares ##		
Devyani Food Street Private Limited	175.92	175.92
Devyani Airport Services (Mumbai) Private Limited	84.84	84.84
RV Enterprizes Pte. Limited	108.93	40.13
Devyani International (Nepal) Private Limited	26.77	26.77
Devyani International (UK) Private Limited	350.82	287.82
The Minor Food Group (India) Private Limited	72.32	72.32
	819.60	687.80
Investments in preference shares ##		
Devyani Airport Services (Mumbai) Private Limited	326.31	326.31
RV Enterprizes Pte. Limited	612.02	612.02
Devyani International (Nepal) Private Limited	25.06	25.06
	963.39	963.39
Corporate guarantee ^		
Devyani Food Street Private Limited	125.00	180.00
Devyani International (Nepal) Private Limited	156.39	-
Devyani International (UK) Private Limited	123.12	117.34
	404.51	297.34

* Refer to Note 7 for full particulars of the loans and advances given.

** Includes interest accrued on loans amounting to Rs. 29.65 (previous year: Rs. 1.41)

Refer to Note 6 for full particulars of the investments made.

The above investments are shown at cost.

^ Refer to Note 35 for full particulars of the corporate guarantees given.

47. The Company has evaluated events or transactions that occurred after the Standalone Balance Sheet date but prior to the issuance of standalone financial statements and concluded that no subsequent events have occurred till 23 September 2019 that require adjustment to or disclosure in the standalone financial statements, except for the following: Subsequent to year ended 31 March 2019, the Company has signed a non-binding term sheet with Yum Restaurants (India) Private Limited ("Yum") for acquisition of sixty-one KFC stores, located in Karnataka, Telangana and Andhra Pradesh on slump sale basis. This term sheet is subject to reaching mutually satisfactory business transfer agreement and such other agreements as may be required between both parties.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

48. Investment in Devyani Airport Services (Mumbai) Private Limited, a subsidiary

As at 31 March 2019, the Company has investment in equity shares of Devyani Airport Services (Mumbai) Private Limited (a subsidiary company) amounting to Rs. 84.84, accounted for under Ind AS 27. In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

As at 31 March 2019, for investment in equity shares of Devyani Airport Services (Mumbai) Private Limited, the Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a 5 years (approximately) cash flow forecast. The key assumptions used for computation of value in use are the sales growth rate of 18% p.a. and discount rate of 12.97% p.a. Based on management's impairment assessment, recoverable amount was lower than the carrying amount for such investment and this resulted in provision for impairment loss in the value of investment of Rs. 84.84 during the current year and such provision amount has been disclosed under "Provision for impairment loss in value of investments in subsidiaries and joint venture" in the Standalone Statement of Profit and Loss.

Management has identified that a reasonably possible change in the two key assumptions could cause a change in amount of impairment loss. The following table shows the amount by which the impairment loss would increase/ (decrease) on change in these assumptions by 1%. All other factors remaining constant.

Increase/ (Decrease) in impairment loss	For the year ended 31 March 2019
Discount Rate	
(Increase by 1%)	Rs. Nil
(Decrease by 1%)	Rs. Nil
Sales Growth Rate	
(Increase by 1%)	Rs. Nil
(Decrease by 1%)	Rs. Nil

49. Investment in The Minor Food Group (India) Private Limited, a joint venture

As at 31 March 2018, the Company had investment in equity shares of The Minor Food Group (India) Private Limited (a joint venture) amounting to Rs. 72.32, accounted for under Ind AS 27. In accordance with Ind AS 36 "Impairment of Assets", such investment was considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

As at 31 March 2018, The Minor Food Group (India) Private Limited ceased to perform their operations and hence the recoverable amount was considered Rs. Nil. This resulted in provision for impairment loss in the value of investment of Rs. 72.32 during the previous year and such provision amount was disclosed under "Provision for impairment loss in value of investments in subsidiaries and joint venture" in the Standalone Statement of Profit and Loss.

50. The Company has incurred losses in current year and has accumulated losses as at 31 March 2019, which has resulted in certain erosion of the net worth of the Company as at 31 March 2019. Further, the Company's current liabilities exceed its current assets as at 31 March 2019.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Based on projections, revised and detailed business strategies (including business combination transactions referred to in Note 45 and 47 above), the Company expects growth in its operations and improved operating performance in coming years and also, expects to earn enhanced cash inflows from its operating activities. The Company believes such anticipated internally generated funds from operations in future along with its liquidity position as at 31 March 2019, its fully available revolving undrawn credit facility as at 31 March 2019 and certain other current assets (financial and non-financial) as at 31 March 2019 will enable it to meet its future known obligations due in next year, in the ordinary course of business. However, if a liquidity need were to arise, the Company believes it has access to requisite financial and operational support from RJ Corp Limited (holding and ultimate holding company), other external financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. Moreover, the Company will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

In view of the above, the use of going concern assumption has been considered appropriate in preparation of these standalone financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of
Devyani International Limited**

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

INDEPENDENT AUDITORS' REPORT

To the Members of

Devyani International Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Devyani International Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors and APAS & Co., Chartered Accountants on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors and APAS & Co., Chartered Accountants, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 49 in the consolidated financial statements, wherein it is mentioned that the Group and its joint venture has incurred losses in current year and has accumulated losses as at 31 March 2019, which has resulted in erosion of the net worth of the Group and its joint venture as at 31 March 2019. Further, the Group and its joint venture's current liabilities exceed its current assets as at 31 March 2019. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Group and its joint venture's ability to continue as a going concern. However, as a result of the mitigating factors elaborated in note i.e. projected cash flows of the Group and its joint venture, available revolving undrawn credit facility, current liquidity position and continued financial and operational support from ultimate holding company, the management is confident of its ability to continue as a going concern and have accordingly, prepared these consolidated financial statements on going concern basis. Consequently, no adjustments have been made to the carrying values of the assets and liabilities in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial

statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above as it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group as well as joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors and APAS & Co., Chartered Accountants, such other auditors and APAS & Co., Chartered Accountants remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely

responsible for our opinion. Our responsibilities in this regard are further described in paragraph (a) of the other Matters section in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors and APAS & Co., Chartered Accountants referred to in paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- The financial statements of two subsidiaries, which are located in India, whose financial statements reflect total assets of Rs. 574.58 million as at 31 March 2019, total revenues of Rs. 1,564.90 million and net cash outflows amounting to Rs. 18.66 million for the year ended on that date, as considered in the consolidated financial statements, have been audited

by APAS & Co., Chartered Accountants. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. Nil for the year ended 31 March 2019, in respect of one joint venture, whose financial statements have not been audited by us. The audit reports on these financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint venture is based solely on the corresponding reports of auditors of such companies.

The financial statements and other financial information of four subsidiaries (including one step down subsidiary), which are located outside India, have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The financial statements of these subsidiaries reflect total assets of Rs. 2,720.67 million as at 31 March 2019, total revenues of Rs. 1,538.99 million and net cash outflows amounting to Rs. 114.69 million for the year ended on that date, as considered in the consolidated financial statements. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Company's management, have been audited by other auditor. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Company and audit report issued thereon by the other auditor.

Our audit opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and APAS & Co., Chartered Accountants.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors and APAS & Co., Chartered Accountants on separate financial statements of such subsidiaries and joint venture as were audited by other auditors and APAS & Co., Chartered Accountants, as noted in the Other Matters section, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and APAS & Co., Chartered Accountants.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The going concern matter described under the Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
 - f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and its

joint venture incorporated in India, is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors and APAS & Co., Chartered Accountants on separate financial statements of the subsidiaries and joint venture as noted in the Other Matters section:
- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its joint venture - Refer Note 36 to the consolidated financial statements.
 - Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 18 to the consolidated financial statements in respect of such items as it relates to the Group and its joint venture.
 - There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2019.
 - The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 08 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2019 - Refer Note 12 to the consolidated financial statements.

- C. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were audited by APAS & Co., Chartered Accountants, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 read with Schedule V to the Act. Further, based on the report of the statutory auditor of joint venture incorporated in India which was audited by the other auditor, joint venture has not paid / provided for any remuneration to its directors during the current year in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 19509209AAAABC2790

Place: Gurugram
Date: 23 September 2019

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAAFD3824

Place: Gurugram
Date: 23 September 2019

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Devyani International Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Devyani International Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of APAS & Co., Chartered Accountants and other auditor referred to in the Other Matters section below, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by respective auditors of the relevant

subsidiary companies and joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India, who have issued unmodified opinion on the internal financial controls with reference to financial statements of these companies.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
ICAI UDIN: 19509209AAAABC2790

Place: Gurugram
Date: 23 September 2019

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAAFD3824

Place: Gurugram
Date: 23 September 2019

CONSOLIDATED BALANCE SHEET

As at 31 March 2019

(₹ in millions)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	4,840.49	3,964.56
Capital work-in-progress	5	115.18	563.90
Goodwill	4	161.33	206.17
Other intangible assets	4	363.85	281.99
Equity accounted investee	6	-	-
Financial assets			
(i) Loans	7	458.41	399.43
(ii) Other financial assets	8	39.82	43.09
Deferred tax assets (net)	31	28.67	30.81
Income tax assets (net)	31	96.22	102.06
Other non-current assets	9	228.26	248.65
Total non-current assets		6,332.23	5,840.66
Current assets			
Inventories	10	549.42	446.32
Financial assets			
(i) Trade receivables	11	229.84	184.05
(ii) Cash and cash equivalents	12	265.72	443.03
(iii) Bank balances other than cash and cash equivalents, above	13	5.10	4.70
(iv) Loans	7	95.80	59.45
(v) Other financial assets	8	0.58	1.37
Other current assets	9	313.09	300.38
Total current assets		1,459.55	1,439.30
Total assets		7,791.78	7,279.96
Equity and liabilities			
Equity			
Equity share capital	14	1,061.67	1,061.67
Other equity	15	(243.19)	329.69
Equity attributable to owners of the Company		818.48	1,391.36
Non-controlling interests	45	(455.13)	(336.19)
Total equity		363.35	1,055.17
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	3,324.84	2,718.95
(ii) Other financial liabilities	18	33.72	28.06
Provisions	19	138.05	99.06
Other non-current liabilities	20	495.08	420.17

(₹ in millions)

	Notes	As at 31 March 2019	As at 31 March 2018
Total non-current liabilities		3,991.69	3,266.24
Current liabilities			
Financial liabilities			
(i) Borrowings	17	676.93	407.25
(ii) Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		23.64	2.56
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,344.55	1,279.70
(iii) Other financial liabilities	18	1,050.53	811.92
Current tax liabilities (net)	31	2.82	2.97
Other current liabilities	20	306.01	416.76
Provisions	19	32.26	37.39
Total current liabilities		3,436.74	2,958.55
Total equity and liabilities		7,791.78	7,279.96

The accompanying notes form an integral part of these Consolidated financial statements
 As per our report of even date attached

For **B S R & Co. LLP**
 Chartered Accountants
 ICAI Firm Registration
 No.: 101248W/W-100022

For **APAS & Co.**
 Chartered Accountants
 ICAI Firm Registration
 No.: 000340C

For and on behalf of the **Board of Directors of
 Devyani International Limited**

Kunal Kapur
 Partner
 Membership No.: 509209

Sumit Kathuria
 Partner
 Membership No.: 520078

Virag Joshi
 CEO and Whole-time Director
 DIN: 01821240

Raj P. Gandhi
 Director
 DIN: 00003649

Sanjeev Arora
 CFO and Director
 DIN: 00009288

Vivek Kumar Singh
 Company Secretary
 Membership No.: A19348

Place: Gurugram
 Date: 23 September 2019

Place: Gurugram
 Date: 23 September 2019

Place: Gurugram
 Date: 23 September 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 2019

(₹ in millions)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	22	13,442.96	11,106.12
Other income	23	230.64	250.58
Total income		13,673.60	11,356.70
Expenses			
Cost of materials consumed	24	3,772.90	3,285.94
Purchases of stock-in-trade	25	317.29	219.52
Changes in inventories of stock-in-trade	26	(21.24)	(131.40)
Employee benefits expense	27	2,083.05	1,722.09
Finance costs	28	382.77	309.47
Depreciation and amortisation expense	29	829.23	669.81
Impairment loss/ (reversal) of non-financial assets	3 and 4	247.53	(119.19)
Other expenses	30	6,715.07	5,080.12
Total expenses		14,326.60	11,036.36
Profit/(loss) before share of loss of equity accounted investee and tax		(653.00)	320.34
Share of loss of equity accounted investee (net of tax)		-	(17.50)
Profit/(loss) before tax		(653.00)	302.84
Tax expense:			
Current tax	31	8.53	22.57
Deferred tax	31	2.78	(30.97)
Total tax expense		11.31	(8.40)
Profit/(loss) for the year		(664.31)	311.24
Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans		(9.55)	(13.36)
Income tax relating to above mentioned item		0.39	(0.16)
Other comprehensive income not to be reclassified to profit or loss, net of tax		(9.16)	(13.52)
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		(20.88)	81.85
Income tax relating to above mentioned item		-	-
Other comprehensive income to be reclassified to profit or loss, net of tax		(20.88)	81.85
Other comprehensive income, net of tax		(30.04)	68.33
Total comprehensive income for the year		(694.35)	379.57
Profit attributable to:			
Owners of the Company		(483.54)	459.71
Non-controlling interests	45	(180.77)	(148.47)

(₹ in millions)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) for the year		(664.31)	311.24
Other comprehensive income attributable to:			
Owners of the Company		(16.05)	57.32
Non-controlling interests	45	(13.99)	11.01
Other comprehensive for the year		(30.04)	68.33
Total comprehensive income for the year attributable to:			
Owners of the Company		(499.59)	517.03
Non-controlling interests	45	(194.76)	(137.46)
Total comprehensive income for the year		(694.35)	379.57
Earnings per equity share of face value of Rs 10 each;	32		
Basic (Rs.)		(4.55)	4.33
Diluted (Rs.)		(4.55)	4.25

The accompanying notes form an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For APAS & Co.
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of
Devyani International Limited**

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 2019

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Profit / (Loss) before tax	(653.00)	302.84
Adjustments for:		
Share of loss of equity accounted investee (net of income tax)	-	17.50
Depreciation and amortisation expenses	829.22	669.81
Impairment (reversal)/ loss of non-financial assets	247.53	(119.19)
Provision for impairment loss in the value of equity accounted investee	-	25.00
Liabilities no longer required written back	(12.79)	(89.96)
Loss / (gain) on disposal of Property plant and equipment	11.49	3.79
Deferred rent amortisation (included in rent expenses)	58.70	36.55
Lease equalisation rent (included in rent expenses)	71.21	101.54
Deferred income amortisation (included in other income)	(2.52)	(1.60)
Bad debts and advances written off	0.69	-
Allowance for doubtful debts	6.38	-
Unrealised foreign exchange (gain) / loss (net)	13.03	10.88
Interest on borrowings measured at amortised cost	359.83	306.73
Interest accretion on financial liabilities measured at amortised cost	7.00	16.51
Interest expenses - Others	1.70	-
Employee stock option scheme expenses	2.53	2.73
Interest income from Bank deposits and others	(12.31)	(12.50)
Interest income from financial assets at amortized cost	(60.13)	(35.53)
Derivatives at FVTPL	5.36	-
Operating profit before working capital changes	873.92	1,235.11
Adjustments for:		
(Increase)/decrease in trade receivables	(52.87)	(5.27)
(Increase)/decrease in inventories	(103.10)	(111.98)
(Increase)/decrease in loans, other financial assets, and other assets	(61.70)	(271.85)
Increase/(decrease) in trade payables, other financial liabilities and other liabilities	107.57	97.57
Cash generated from operating activities	763.82	943.58
Income tax paid (net of refund)	(2.85)	(33.88)
	-	-
Net cash generated from operating activities	760.97	909.71
B. Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets acquired under business combination	(288.29)	(1,418.80)
Purchase of property, plant and equipment and other intangible assets other than above (including capital advances)	(1,422.56)	-
Proceeds from sale of Property plant and equipment and intangible assets	15.69	20.56
Deposits made with banks	(176.01)	(1.19)

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Proceeds from maturity of deposits	179.13	(22.99)
Interest received	12.31	13.17
Net cash used in investing activities	(1,679.73)	(1,409.31)
C. Cash flows from financing activities		
Proceeds from issue of Preference shares	-	22.01
Redemption of preference shares	-	1,327.57
Proceeds from borrowings	1,921.78	-
Repayment of borrowings	(619.36)	(515.99)
Repayment of cash credit and overdraft facilities from banks	(249.54)	
Interest paid	(338.27)	(269.51)
Net cash generated from financing activities	714.61	564.08
D. Effect of exchange rate change	26.86	7.23
Net increase in cash and cash equivalents during the year (A+B+C+D)	(177.29)	71.71
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	(0.02)	(0.01)
E. Cash and cash equivalents at the beginning of the year		
Cash in hand	40.43	26.35
Cash in transit	22.19	6.93
Cheques on hand	-	3.94
Balance with banks:		
-on current accounts	380.41	334.11
-on deposit accounts (with original maturity of three months or less)	-	
	443.03	371.33
F. Cash and cash equivalents as at the end of the year	-	
Cash in hand	50.26	40.43
Cash in transit	12.92	22.19
Cheques on hand	0.04	-
Balance with banks:		
-on current accounts	202.50	380.41
	265.72	443.03

Notes:

- The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

2. Changes in liabilities arising from financing activities

Opening balance of loans:		
-Indian rupee term loan	2,283.64	2,040.34
-Term Loan- Unsecured	520.77	
-Term Loan (unsecured) DIL		
-Foreign currency term loan	407.88	970.33
-Cash credit facilities from banks	407.25	78.27
-Redeemable, non-cumulative, non-convertible preference shares (unsecured)	100.29	66.66

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows		
Repayment of secured loans	(619.36)	(515.99)
Proceeds from secured loans	1,435.28	1,327.57
Proceeds from Cash credit and overdraft facilities from banks	486.50	-
Repayment of Cash credit and overdraft facilities from banks	(249.54)	-
-Repayment from (unsecured)		
Proceeds from issue of Preference shares	-	22.01
Finance cost paid	(338.27)	(269.51)
Non-cash changes		
Foreign currency exchange fluctuations due to reinstatement	60.21	13.04
Exchange difference of translation of foreign operations	14.24	(369.77)
Changes in loans received at amortisation cost	4.73	33.63
Finance cost	368.53	323.24
Closing balance of loans		
-Indian rupee term loan	3,107.08	2,283.64
-Term Loan (unsecured)	563.83	520.77
- Foreign currency term loan	430.01	407.88
- Cash credit facilities from banks	676.93	407.25
-Redeemable, non-cumulative, non-convertible preference shares (unsecured)	104.30	100.29

3. The Group also has, fully available, revolving undrawn credit facility of Rs. 255.03 (previous year: Rs. 303.91) for its future operating activities and to settle its capital commitments.

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of
Devyani International Limited**

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 2019

(Rupees in millions, except for share data and if otherwise stated)

A Equity share capital

	Note	For the year ended 31 March 2019		For the year ended 31 March 2018	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	14	106,166,666	1,061.67	106,166,666	1,061.67
Balance at the end of the year		106,166,666	1,061.67	106,166,666	1,061.67

B Other equity

	Note	Attributable to owners of the Company							Attributable to Non controlling interest (NCI)	Total	
		Reserves and Surplus			Items of Other comprehensive income		Total attributable to owners of the Company				
		Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	NCI (Non-controlling interest) Reserve		Exchange difference of translation of foreign operations			Other item of other comprehensive income*
		4,632.61	108.16	5.47	(5,394.22)	-	457.91	-	(190.07)	(392.82)	
		-	-	-	459.71	-	-	-	459.71	311.24	
	15	-	-	-	-	-	70.41	(13.09)	57.32	68.33	
		-	-	-	459.71	-	70.41	(13.09)	517.03	379.57	
		-	-	-	(13.09)	-	-	13.09	-	-	
	38	-	2.73	-	-	-	-	-	2.73	2.73	
	45	-	-	-	-	-	-	-	-	-	
		4,632.61	110.89	5.47	(4,947.60)	-	528.32	-	329.69	(6.50)	
		4,632.61	110.89	5.47	(4,947.60)	-	528.32	-	329.69	(6.50)	

(Rupees in millions, except for share data and if otherwise stated)

	Note	Attributable to owners of the Company							Attributable to Non controlling interest (NCI)	Total	
		Reserves and Surplus			Items of Other comprehensive income		Total attributable to owners of the Company				
		Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	NCI (Non-controlling interest) Reserve		Exchange difference of translation of foreign operations			Other item of other comprehensive income*
Profit/(Loss) for the year		-	-	-	(483.54)	-	-	-	(483.54)	(180.77)	(664.31)
Other comprehensive income for the year (net of tax)	15	-	-	-	-	-	(6.91)	(9.14)	(16.05)	(13.99)	(30.04)
Total comprehensive income for the year		-	-	-	(483.54)	-	(6.91)	(9.14)	(499.59)	(194.76)	(694.35)
Transferred to retained earnings		-	-	-	(9.14)	-	-	9.14	-	-	-
Employee stock options scheme expenses	38	-	2.53	-	-	-	-	-	2.53	-	2.53
Transaction with NCI	45	-	-	-	-	(75.82)	-	-	(75.82)	75.82	-
Balance as at 31 March 2019		4,632.61	113.42	5.47	(5,440.28)	(75.82)	521.41	-	(243.19)	(455.13)	(698.32)

* Other comprehensive income represents remeasurement of defined benefit plans (net of tax)
The accompanying notes form an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For APAS & Co.
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of**
Devyani International Limited

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

1. Company Information / Overview

Devyani International Limited (the 'Company') is a public limited company domiciled in India, having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi - 110020. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. These consolidated financial statements comprise the results of the Company, its subsidiaries (collectively referred to as the 'Group') and its joint venture.

The Company, its subsidiaries (collectively referred to as the 'Group') and its joint ventures are primarily engaged in the business of operating quick service restaurants for brands such as Pizza Hut, KFC, Costa, Vaango etc. and retail stores for TWG Tea.

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The consolidated financial statements are prepared on accrual and going concern basis.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 23 September 2019.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or at amortised cost (Refer to Note 33).

(c) Critical accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Information about significant areas of estimation /uncertainty and judgements in applying accounting policies that have the most significant effect on the consolidated financial statements are as follows:

Note 2.2 (h) and 42 - measurement of defined benefit obligations: key actuarial assumptions.

Note 2.2 (a) and (b) - measurement of useful life and residual values of property, plant and equipment and useful life of other intangible assets.

Note 2.2 (j) - judgement required to determine probability of recognition of deferred tax assets.

Note 2.2 (m) and 33 - fair value measurement of financial instruments.

Note 2.2 (f) impairment assessment of non-financial assets: key assumptions underlying recoverable amount.

Note 2.2 (m) impairment assessment of financial assets.

Note 37 - judgment required to determine grant date fair value technique for employee stock option scheme expenses.

Note 2.2 (d) - judgement required to ascertain lease classification.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 2.2 (g) and 36 - judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

Note 2.2 (b) and 47 - measurement of consideration and assets acquired as part of business combination.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value of financial instruments measured at fair value through profit or loss and amortised cost are disclosed in Note 33.

(e) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint venture.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The standalone financial statements of the Company and financial statements of the subsidiaries are consolidated on a line-by-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and any unrealised incomes and expenses arising from intra-group transactions. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interest ("NCI") which represents part of consolidated net profit or loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded and presented in the consolidated Balance Sheet separately within Equity.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated profit or loss.

The equity accounted investee

The Group's interest in equity accounted investee comprise interest in joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Interest in joint venture is accounted for by using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of joint venture until the date on which joint control ceases.

Unrealised gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its equity accounted investee. At each reporting date, the Group determines whether there is objective evidence that the equity accounted investee is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investee and its carrying value, and then recognises the loss in the consolidated Profit or Loss.

In case, Group's share of losses of equity accounted investee equals or exceeds the interest in equity accounted investee (carrying value of investment), the Group discontinues recognising its share of future losses.

The Group and its joint venture considered in these consolidated financial statements are as follows:

i) Subsidiaries

Name of the company	Country of incorporation	% voting power held as at 31 March 2019	% voting power held as at 31 March 2018
Devyani International (Nepal) Private Limited	Nepal	100%	100%
Devyani Food Street Private Limited	India	100%	100%
Devyani International (UK) Private Limited	United Kingdom	100%	100%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

RV Enterprizes Pte. Limited	Singapore	87%	74%
Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)	Nigeria	78.75%	57.50%
Devyani Airport Services (Mumbai) Private Limited	India	51%	51%

ii) Equity accounted investee

Name of the company	Country of incorporation	% voting power held as at 31 March 2019	% voting power held as at 31 March 2018
The Minor Food Group (India) Private Limited	India	30%	30%

The financial statements of the above entities (Subsidiaries and Equity accounted investee) are drawn upto the same accounting period as that of the Company.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements, except for revenue recognition pursuant to adoption of Ind AS 115 'Revenue from Contracts with Customers' with effect from 1 April 2018.

(a) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure which are directly attributable to commissioning of quick service restaurants are capitalised. Other expenditure incurred during the commissioning phase, which is not directly attributable, is charged off to consolidated Profit or Loss.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the consolidated profit or loss when property, plant and equipment is derecognised.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other subsequent cost are charged to consolidated profit or loss at the time of incurrence.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

As permitted by Ind AS 101, the Group, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its property, plant and equipment and use that as its deemed cost.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the consolidated profit or loss. Depreciation on property, plant and equipment is provided on straight line basis based on their useful lives mentioned below and in the manner provided in Schedule II to the Companies Act, 2013.

Depreciation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
Buildings	30
Plant and equipment	12
Furniture and fixtures	6
Electrical fittings	10
Office equipments	10
Computers	6
Utensil and kitchen equipments	10
Small wares*	4
Vehicles	5

* Included under the head Utensil and kitchen equipments.

Freehold land is not depreciated.

Leasehold improvements are depreciated on a straight-line basis over the period of the initial lease term or 10 years, whichever is lower.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II to the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset.

Depreciation is calculated on a pro rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

(b) Business combinations and other intangible assets

(i) Business combinations

The Group accounts for the business combinations using the acquisition method when control is transferred to the respective company of the Group. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ('acquisition date'), as are the net identifiable assets (tangible and other intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Any goodwill that arises is not amortised but is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the consolidated profit or loss.

(ii) Other intangible assets

Other intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of other intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible assets and are recognised in the consolidated profit or loss when the asset is derecognised.

Subsequent costs

Subsequent cost is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on other intangible assets is recognised in consolidated profit or loss, as incurred.

Amortisation

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year.

Amortisation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
License fee	Period of license
Computer software	6

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

As permitted by Ind AS 101, the Group, on transition to Ind AS, had elected to continue with the carrying value under previous GAAP for all of its other intangible assets and use that as its deemed cost.

Intangible assets under development

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

(c) Inventories

Inventories consist of raw materials which are of a perishable nature and traded goods. Inventories are valued at lower of cost and net realisable value ('NRV'). Raw materials are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their NRV. Cost of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item group level basis at each reporting date.

(d) Leases

Leased assets

Leases of property, plant and equipment in which significant portion of risks and rewards of ownership are not transferred are classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form is considered. In case, the lease arrangement includes other consideration, it is separated at the inception of the lease arrangement or upon a reassessment of the lease arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

Lease payments

Lease payments in respect of assets taken on operating lease are charged to the consolidated profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

(e) Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

(f) Impairment - non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to a CGU or groups of CGU's that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the consolidated profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Provisions and contingent liabilities and assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

(h) Employee benefits

Short-term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

Defined benefit plans of the Group comprise gratuity.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Gratuity liability is partially funded by the Group through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The liability recognised in the consolidated Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefits expense in the consolidated profit or loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income and transferred to retained earnings.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in consolidated profit or loss as past service cost.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Other long-term employee benefits

Compensated absences

The Group's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in consolidated profit or loss in the period in which they arise.

(i) Share based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Group under the Employee Stock Option Scheme ('ESOS') is recognised as employee stock option scheme expenses in the consolidated profit or loss, in relation to options granted to employees of the Group (over the vesting period of the awards), with a corresponding increase in other equity. The amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Group revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(j) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the consolidated profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Indian Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that it is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in consolidated Balance Sheet. Significant management judgment is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

(k) Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the consolidated profit or loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the consolidated profit or loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the consolidated profit or loss, within finance costs.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupees (INR), the functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (INR) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as applicable.

(l) Revenue recognition

With effect from 01 April 2018, the Group has adopted Ind AS 115, 'Revenue from Contracts with Customers' using cumulative effect method which does not require comparative information to be restated in the consolidated financial statements. The standard is applied retrospectively only to contracts that were not completed as at the date of initial application (i.e. 01 April 2018). There is no impact on retained earnings as at 01 April 2018. Moreover, the application of Ind AS 115 did not have any impact on recognition and measurement of revenue from operations and other related items in the consolidated financial statements of the Group.

Under Ind AS 115, revenue is recognised upon transfer of control of promised goods or services to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, performance bonuses, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

Sale of products

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers which coincides with their delivery to customer and is measured at fair value of consideration received/ receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

Revenue from outdoor catering services is recognised on completion of the respective services agreed to be provided, the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Service income and management fee

Revenue from marketing support services, management fee and auxiliary and business support services are in terms of agreements with the customers and are recognised on the basis of satisfaction of performance obligation over the duration of the contract from the date the contracts are effective or signed provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method.

Rental income

Revenue from rentals is recognised over the period of the contract provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Scrap sale

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and initial measurement

Trade receivables and debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through consolidated profit or loss, transaction costs that are attributable to its acquisition or use.

Classification and subsequent measurement:

Classification

For the purpose of initial recognition, the Group classifies financial assets in following categories:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the consolidated profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the consolidated profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the consolidated profit or loss.

Impairment of financial assets (other than at fair value)

The Group recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the consolidated profit or loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, for an item not at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated profit or loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in consolidated profit or loss. Any gain or loss on derecognition is also recognised in the consolidated profit or loss.

Compound financial instruments

Compound financial instruments are bifurcated into liability and equity components based on the terms of the contract.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of the compound financial instrument is not measured subsequently.

Interest on liability component is recognised in consolidated profit or loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in consolidated profit or loss.

(n) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the consolidated profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is determined by adjusting consolidated profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise share options granted to employees.

(o) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(p) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

(q) Share capital

Equity share capital

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

(r) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker is considered to be the Board of Directors of the Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

(t) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

(u) Functional and presentation currency

The management of the Company has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (INR). The consolidated financial statements are presented in Indian

Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated.

(v) Recent accounting pronouncements

Standards issued but not yet effective

(a) Ind AS 116, Leases

Ind AS 116 Leases will replace the existing leases standard, Ind AS 17 Leases (Refer accounting policy 2.2 (d)). It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use (ROU) asset representing its right to use the underlying asset on lease and a lease liability representing its obligation to make lease payments. The standard is applicable from 1 April 2019.

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments using the lessee's incremental borrowing rate as at 1 April 2019 and corresponding ROU asset is measured at an amount equivalent to lease liability. Therefore, there will be no effect of adopting Ind AS 116 on retained earnings as at 1 April 2019 and no restatement of comparative information. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Group has elected certain available practical expedients on transition to Ind AS 116.

The nature of expenses presently presented under "Rent" under the head "Other expenses" as per Ind AS 17, will now be presented as per Ind AS 116 in the form of:

- Amortization charge for the ROU asset. Further, ROU asset may be subject to impairment, wherever indicators exist.
- Finance cost from interest accrued on lease liability.

There will be consequent reclassifications in the cash flow categories in the consolidated Cash Flow Statement.

Certain stores and office premises, which are taken on operating lease will now be capitalised under Ind AS 116.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application cannot be estimated reasonably as at present. However, the impact on transition will be significant.

(b) The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 12, Income taxes
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

3 Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross Value											
Balance as at 01 April 2017	103.91	431.93	1,449.02	2,005.74	270.31	78.07	64.67	155.34	83.38	60.02	4,702.39
Acquisitions through business combination (Refer to Note 47)	-	-	33.08	38.98	2.43	2.90	1.00	0.37	0.40	-	79.16
Other additions during the year	-	-	323.22	335.67	46.89	30.41	31.19	45.85	84.37	1.89	899.49
Disposals during the year	-	-	51.28	49.30	6.10	3.64	1.35	3.73	0.83	1.39	117.62
Exchange differences on translation of foreign operations	-	-	(46.40)	(30.75)	(17.22)	0.14	(0.91)	0.05	(0.01)	(0.06)	(95.16)
Balance as at 31 March 2018	103.91	431.93	1,707.64	2,300.34	296.31	107.89	94.60	197.88	167.31	60.46	5,468.26
Acquisitions through business combination (Refer to Note 47)	-	-	177.90	45.41	5.16	23.52	0.04	6.05	0.01	0.11	258.20
Other additions during the year	-	-	462.46	648.42	219.16	2.91	79.94	72.33	71.71	10.09	1,567.02
Disposals during the year	-	-	58.02	30.89	3.26	1.33	0.88	1.42	2.72	3.33	101.85
Exchange differences on translation of foreign operations	-	-	21.24	10.45	6.28	0.02	0.47	0.01	-	0.02	38.49
Balance as at 31 March 2019	103.91	431.93	2,311.22	2,973.73	523.65	133.01	174.17	274.85	236.31	67.35	7,230.12

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Accumulated depreciation											
Accumulated depreciation as at 01 April 2017	-	3.31	264.91	227.27	53.76	15.57	9.58	38.28	17.51	18.43	648.62
Depreciation for the year	-	12.03	194.12	256.97	49.58	14.20	10.83	37.27	25.05	12.19	612.24
Accumulated depreciation on disposals during the year	-	-	31.01	32.53	3.74	2.76	1.01	1.92	0.64	1.06	74.67
Exchange differences on translation of foreign operations	-	-	(15.87)	(5.17)	(3.34)	0.10	(0.36)	0.04	-	(0.03)	(24.63)
Balance as at 31 March 2018	-	15.34	412.15	446.54	96.26	27.11	19.04	73.67	41.92	29.53	1,161.56
Depreciation for the year	-	12.93	244.01	297.63	89.40	15.57	18.96	43.28	32.33	16.28	770.39
Accumulated depreciation on disposals during the year	-	-	22.01	15.88	0.92	0.82	0.57	0.95	2.36	2.15	45.66
Exchange differences on translation of foreign operations	-	-	10.10	3.31	2.02	(0.06)	0.25	(0.82)	(0.11)	0.01	14.70
Balance as at 31 March 2019	-	28.27	644.25	731.60	186.76	41.80	37.68	115.18	71.78	43.67	1,900.99
Accumulated impairment											
Accumulated impairment as at 01 April 2017	-	68.04	124.32	234.47	9.83	6.36	6.28	16.84	2.16	10.28	478.58
Impairment loss (Refer to Note 39)	-	15.57	73.26	62.05	7.04	2.21	1.92	3.28	1.81	0.87	168.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Impairment (reversal) (Refer to Note 39)	-	(41.65)	(66.74)	(147.15)	(5.26)	(3.49)	(3.92)	(9.06)	(1.17)	(5.66)	(284.10)
Accumulated impairment on disposal during the year	-	-	13.61	5.21	0.38	0.61	0.14	0.22	0.12	0.06	20.35
Accumulated impairment as at 31 March 2018	-	41.96	117.23	144.16	11.23	4.47	4.14	10.84	2.68	5.43	342.14
Impairment loss (Refer to Note 39)	-	15.06	119.82	88.75	14.41	2.28	2.97	3.59	7.58	0.85	255.31
Impairment (reversal) (Refer to Note 39)	-	(14.75)	(9.94)	(38.01)	(1.74)	(1.27)	(1.15)	(3.22)	(1.30)	(1.80)	(73.18)
Accumulated impairment on disposal during the year	-	-	22.70	9.61	1.64	0.49	0.22	0.03	0.12	0.81	35.62
Accumulated impairment as at 31 March 2019	-	42.27	204.41	185.29	22.26	4.99	5.74	11.18	8.84	3.67	488.65
Carrying amount (net)											
Net carrying value as at 31 March 2018	103.91	374.63	1,178.26	1,709.64	188.82	76.31	71.42	113.37	122.71	25.50	3,964.56
Net carrying value as at 31 March 2019	103.91	361.39	1,462.56	2,056.84	314.63	86.22	130.75	148.49	155.69	20.01	4,840.49

Note : For details regarding charge on property, plant and equipment- Refer to Note 16.

Note : For details regarding capitalisation of expenses incurred during construction period- Refer to Note 38.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

4. Goodwill and Other intangible assets

(a) Goodwill

Particulars	Goodwill on consolidation	Goodwill on business combination	Total
Gross Value			
Balance as at 01 April 2017	206.17	-	206.17
Balance as at 31 March 2018	206.17	-	206.17
Acquisitions through business combination (Refer to note: 47)		9.49	9.49
Balance as at 31 March 2019	206.17	9.49	215.66
Accumulated impairment losses			
Balance as at 01 April 2017	-	-	-
Balance as at 31 March 2018	-	-	-
Impairment loss/(reversal) (Refer below)	54.33	-	54.33
Balance as at 31 March 2019	54.33	-	54.33
Carrying amount (net)			
Balance as at 31 March 2018	206.17	-	206.17
Balance as at 31 March 2019	151.84	9.49	161.33

Impairment testing for goodwill

Goodwill on consolidation

The Group tests goodwill on consolidation for impairment annually. For the purposes of impairment testing, goodwill on consolidation is allocated to respective subsidiary entity "CGU" within the Group.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs

Particulars	As at 31 March 2019	As at 31 March 2018
Devyani Food Street Private Limited	139.88	139.88
Devyani Airport Services (Mumbai) Private Limited	54.33	54.33
RV Enterprizes Pte. Limited	11.96	11.96
Total	206.17	206.17

For CGU's containing goodwill, management conducts impairment assessment and compares the carrying amount of such CGU with its recoverable amount. Recoverable amount is value in use of the CGU computed based upon discounted cash flow projections. The key assumptions used for computation of value in use are the sales growth rate and discount rate as specified below. The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

Key assumptions

Discount rate	12.97% - 24.48%
Sales growth rate	5% -18%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Discount rate is the weighted average cost of capital of the respective subsidiary (CGU).

As at 31 March 2019, for CGU, the Group has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a 5 years (approximately) cash flow forecast and applicable terminal growth rate. Terminal growth is used to extrapolate the cash flows beyond the projected period. Based on management's impairment assessment in respect of Devyani Airport Services (Mumbai) Limited, recoverable amount was lower than the carrying amount for such CGU due to higher operating costs and this resulted in provision for impairment loss in the value of goodwill of Rs. 54.33 during the current year and such provision amount has been disclosed under "Impairment loss on non-financial assets in the Consolidated Statement of Profit and loss".

For other CGU's containing goodwill, the impairment assessment did not result in any impairment loss and the management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said CGU's.

Goodwill on business combination

In accordance with Ind AS 36 "Impairment of Assets", the Group has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Goodwill amounting to Rs. 9.49 is allocated across multiple stores acquired under business combination during the current year and the amount so allocated to each store (a separate cash generating unit) is not significant in comparison with the Group's total carrying amount of goodwill. However, the entire goodwill allocated over the stores acquired under business combination agreement, is tested for impairment wherein the recoverable amount is compared with the carrying amount of these stores. Recoverable amount is the value in use of these stores computed based upon projected cash flows from operations with sales growth of 5% - 20% and salary growth rate of 8% consistently, over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.97 % p.a. No impairment loss has been recorded on the goodwill amount.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

For goodwill impairment assessment management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores.

(b) Other intangible assets

Particulars	License fee	Computer software	Total
Gross Value			
Balance as at 01 April 2017	264.36	84.10	348.46
Acquisitions through business combination (Refer to Note 47)	13.33	-	13.33
Other additions during the year	78.25	6.36	84.61
Disposals during the year	13.44	0.62	14.06
Exchange differences on translation of foreign operations	(3.59)	-	(3.59)
Balance as at 31 March 2018	338.91	89.84	428.75
Acquisitions through business combination (Refer to Note 47)	20.60	-	20.60

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	License fee	Computer software	Total
Other additions during the year	130.23	6.22	136.45
Disposals during the year	12.06	0.20	12.26
Exchange differences on translation of foreign operations	1.86	-	1.86
Balance as at 31 March 2019	479.54	95.86	575.40
Accumulated amortisation			
Accumulated amortisation as at 01 April 2017	42.29	21.62	63.91
Amortisation for the year	38.64	18.92	57.56
Accumulated amortisation on disposal during the year	9.29	0.51	9.80
Exchange differences on translation of foreign operations	(1.25)	-	(1.25)
Balance as at 31 March 2018	70.39	40.03	110.42
Amortisation for the year	41.44	17.38	58.82
Accumulated amortisation on disposal during the year	2.21	0.13	2.34
Exchange differences on translation of foreign operations	0.54	-	0.54
Balance as at 31 March 2019	110.16	57.28	167.44
Accumulated impairment loss			
Accumulated impairment as at 01 April 2017	33.07	10.63	43.70
Impairment loss (Refer to Note 39)	13.30	1.63	14.93
Impairment (reversal) (Refer to Note 39)	(13.27)	(4.75)	(18.02)
Accumulated impairment on disposal during the year	4.15	0.12	4.27
Accumulated impairment as at 31 March 2018	28.95	7.39	36.34
Impairment loss (Refer to Note 39)	17.05	1.59	18.64
Impairment (reversal) (Refer to Note 39)	(6.53)	(1.04)	(7.57)
Accumulated impairment on disposal during the year	3.24	0.06	3.30
Accumulated impairment as at 31 March 2019	36.23	7.88	44.11
Carrying amount (net)			
Balance as at 31 March 2018	239.57	42.42	281.99
Balance as at 31 March 2019	333.15	30.70	363.85

Note: There are no internally generated/ developed intangible assets.

5. Capital work-in-progress

Particulars	Total
Balance as at 01 April 2017	151.15
Additions during the year	517.22
Assets capitalised during the year	(92.14)
Exchange differences on translation of foreign operations	(12.33)
Balance as at 31 March 2018	563.90
Additions during the year	115.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Total
Assets capitalised during the year	(563.90)
Exchange differences on translation of foreign operations	-
Balance as at 31 March 2019	115.18

6. Equity accounted investee

	As at 31 March 2019	As at 31 March 2018
Interest in joint venture (At carrying amount determined using the equity method of accounting)		
Unquoted equity shares		
At Cost		
7,223,144 (previous year: 7,223,144) equity shares of The Minor Food Group (India) Private Limited of Rs 10 each, fully paid up. Refer to Note 44	25.00	25.00
Provision for impairment loss on equity accounted investees	(25.00)	(25.00)
Aggregate value of unquoted non-current investment	-	-

There are no quoted investments during the current and previous years.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 33.

7. Loans

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Security deposits- Considered good- Unsecured	458.41	399.43	95.80	59.45
	458.41	399.43	95.80	59.45

8. Other financial assets

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Bank deposits (due for maturity after 12 months from the reporting date) ^ #	39.82	43.09	0.09	0.34
Other receivable	-	-	0.49	1.03
	39.82	43.09	0.58	1.37

^ Bank deposits include Rs.37.87 (previous year : Rs. 41.17) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

Includes interest accrued but not due on bank deposits amounting to Rs. 2.04 (previous year: Rs. 2.26)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

9. Other assets

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Capital advances	23.99	36.78	-	-
Other advances:				
- Prepaid expenses	0.31	5.18	117.86	72.18
- Deferred rent	189.22	192.92	42.22	28.92
- Security deposits	-	0.75	-	0.93
- Balance with statutory/government authorities	14.60	12.96	90.56	127.48
- Advances to employees	-	-	8.53	0.72
- Advance to suppliers	0.14	0.06	53.92	70.04
Other receivables	-	-	-	0.11
	228.26	248.65	313.09	300.38

10. Inventories

(Valued at the lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials including packaging materials [including goods-in-transit of Rs. 35.20 (previous year : Rs.22.54)]	396.78	314.92
Stock-in-trade	152.64	131.40
	549.42	446.32

11. Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables		
- Considered good- Unsecured	229.84	184.05
- Credit impaired	6.38	25.63
	236.22	209.68
Less: Impairment allowances for doubtful receivables	(6.38)	(25.63)
	229.84	184.05

Trade receivables includes receivables from related parties amounting Rs. 42.51 (previous year: Rs. 24.29). (Refer to Note 35)

The carrying amount of trade receivables approximates their fair value, is included in Note 33.

The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 33.

Details of trade receivables due by directors or other officers of the Company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member are as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
The Minor Food Group (India) Private Limited	-	0.14
Alisha Retail Private Limited	3.34	3.92
Diagno Labs Private Limited	1.69	1.51
Modern Montessori International (India) Private Limited	0.38	0.16
	5.41	5.73

12. Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balance with banks :	202.50	380.41
- On current accounts	0.04	-
Cheques on hand	50.26	40.43
Cash in hand	12.92	22.19
Cash in transit	265.72	443.03

Note: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these consolidated financial statements since the requirement does not pertain to financial year ended 31 March 2019.

13. Bank balances other than cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Other bank balances*		
- On deposit accounts^	5.10	4.70
	5.10	4.70

*Bank deposits Rs. 3.64 (previous year: Rs. 4.70) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees."

^ Includes interest accrued but not due on bank deposits amounting to Rs. 0.01 (previous year: Rs. 0.24)

14. Equity share capital

	As at 31 March 2019	As at 31 March 2018
Authorised capital		
125,000,000 (previous year: 125,000,000) equity shares of Rs. 10 each	1,250.00	1,250.00
	1,250.00	1,250.00
Issued, subscribed and fully paid -up		
106,166,666 (previous year: 106,166,666) equity shares of Rs. 10 each	1,061.67	1,061.67
	1,061.67	1,061.67

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and paid up				
At the beginning of the year	106,166,666	1,061.67	106,166,666	1,061.67
At the end of the year	106,166,666	1,061.67	106,166,666	1,061.67

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares reserved for issue under options and contracts:

For terms and other details of shares reserved for issue under Employee Stock Option Scheme ("ESOS") of the Company. (Refer to Note 37)

d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid-up held by:				
-RJ Corp Limited, holding and ultimate holding company	81,108,607	76.40	81,108,607	76.40
	81,108,607	76.40	81,108,607	76.40

e) Particulars of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	% holding	No. of shares
Equity shares of Rs. 10 each fully paid-up held by:				
-RJ Corp Limited#	81,108,607	76.40	81,108,607	76.40
-Dunearn Investments (Mauritius) Pte Ltd.	16,333,333	15.38	16,333,333	15.38
-Varun Jaipuria	7,004,726	6.60	7,004,726	6.60

#Refer to Note 14 (d) above.

f) For the period of five years immediately preceding the date of the Consolidated Balance Sheet, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding the date of the Consolidated Balance Sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

15. Other equity

a Reserve and Surplus

Particulars	As at 31 March 2019	As at 31 March 2018
Securities premium	4,632.61	4,632.61
General reserve	5.47	5.47
Retained earnings	(5,440.28)	(4,947.60)
Employee stock options outstanding account (Refer to Note 37)	113.42	110.89
NCI (Non-controlling interest) Reserve	(75.82)	-
Exchange differences on translation of foreign operations	521.41	528.32
Total	(243.19)	329.69

(i) Securities premium

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	4,632.61	4,632.61
Balance at the end of the year	4,632.61	4,632.61

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	5.47	5.47
Balance at the end of the year	5.47	5.47

General reserve are free reserves of the Group which are kept aside out of the Group's profit to meet the future requirements as and when they arise. The Group had, in the previous years, transferred a portion of profit after tax to general reserve pursuant to the earlier provisions of the Companies Act, 1956.

(iii) Retained earnings

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	(4,947.60)	(5,394.22)
Add: Profit /(Loss) for the year	(483.54)	459.71
Add: Transferred from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(9.14)	(13.09)
Balance at the end of the year	(5,440.28)	(4,947.60)

Retained earnings are the accumulated profits/ (losses) earned by the Group till date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

(iv) Employee stock option outstanding account

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	110.89	108.16
Transfer to Employee Stock Options Outstanding account	2.53	2.73
Balance at the end of the year	113.42	110.89

Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer to Note 37 for further details of these plans.

(v) NCI (Non-controlling interest) Reserve

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	-	-
For the year	(75.82)	-
Balance at the end of the year	(75.82)	-

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

b Other comprehensive income - Remeasurement of defined benefit plan (net of tax)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	-	-
Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note- 42)	(9.14)	(13.09)
Transferred to retained earnings	9.14	13.09
Balance at the end of the year	-	-

c Other comprehensive income - Exchange differences of translation of foreign operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	528.32	457.91
For the year	(6.91)	70.41
Balance at the end of the year	521.41	528.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

16. Borrowings

	Non-current		Current portion	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Term loans (secured) from banks				
Indian rupee term loan	2,533.57	1,696.73	572.34	584.11
Foreign currency term loan	321.22	400.38	108.79	7.50
Term loans (secured) from other parties	-	1.17	1.17	1.63
Redeemable, non-cumulative, non-convertible preference shares (unsecured)	104.30	100.29	-	-
Unsecured term loans from others				
- From Chellarams Plc	365.75	520.38	197.69	-
- From High Street Food Services Private Limited	-	-	0.39	0.39
	3,324.84	2,718.95	880.38	593.63
Less. Current portion of long-term borrowings disclosed under other financial liabilities			880.38	593.63
	3,324.84	2,718.95	-	-

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
1	<p>The term loan amounting to Rs. 600 was taken from IndusInd Bank Limited during the year ended 31 March 2013. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The rate applicable is Nil (previous year : 9.9% per annum payable monthly).</p> <p>The term loan was secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs.Nil (previous year : Rs. 0.01).</p>	<p>The term loan has been repaid in the current year.</p> <p>In the previous year, one installment amounting to Rs. 14.05 was due within 2 months of the balance sheet date.</p>	-	14.05

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
2	<p>The term loan amounting to Rs. 1,000 was taken from Axis Bank Limited. Loan amounting to Rs. 500 was drawn down during the year ended 31 March 2017 and Rs 500 during the year ended 31 March 2016. The tenure of the loan is 48 months.</p> <p>The interest rate applicable is Axis Bank base rate +1.30 % presently 9.85% p.a. payable monthly (previous year: 9.50% p.a. payable monthly). Interest rate to be reset on an annual basis.</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.06 (previous year : Rs.3.56).</p>	<p>The term loan is repayable in 11 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20 - Rs. 60 each - 4 instalments during Financial Year 2020-21 - Rs. 60 each - 3 instalments during Financial Year 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 33 months.</p>	663.85	-
		<p>The term loan is repayable in 15 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2018-19 - Rs. 50 each - 4 instalments during Financial Year 2019-20 - Rs. 60 each - 4 instalments during Financial Year 2020-21 - Rs. 60 each - 3 instalments during Financial Year 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 45 months.</p>	-	863.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
3	<p>The term loan amounting to Rs. 300 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 73 months.</p> <p>The interest rate applicable is 9.60% p.a payable monthly (previous year: 9.25% p.a payable monthly).</p> <p>The term loan was secured by :</p> <p>First pari passu charge on all movable property, plant and equipment of the Company both present and future.</p> <p>Second pari passu charge over all current assets of the Company both present and future.</p> <p>First pari passu charge on immovable property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p>	<p>The term loan is repayable in 4 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during Financial Year 2019-20- Rs. 60 - 1 instalment during Financial Year 2020-21- Rs. 60 - 1 instalment during Financial Year 2021-22- Rs. 60 - 1 instalment during Financial Year 2022-23- Rs. 60 <p>Period of maturity from the balance sheet date is 36 months.</p>	242.04	-
		<p>The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during Financial Year 2018-19- Rs. 60 - 1 instalment during Financial Year 2019-20- Rs. 60 - 1 instalment during Financial Year 2020-21- Rs. 60 - 1 instalment during Financial Year 2021-22- Rs. 60 - 1 instalment during Financial Year 2022-23- Rs. 60 <p>Period of maturity from the balance sheet date is 48 months.</p>	-	302.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
4	<p>The term loan amounting to Rs. 400 was taken from IDBI Bank during the year ended 31 March 2014. The tenure of the loan is 69 months including moratorium period of 10 months.</p> <p>The interest rate applicable is Nil (previous year: 10 % p.a)</p> <p>The term loan was secured by:</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004, along with other lenders.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. Nil (previous year : Rs. 0.02).</p>	<p>The term loan has been repaid during the current year.</p> <p>In the previous year, there were 3 instalments due in the Financial Year 2018-19 - Rs. 20 each</p> <p>Period of maturity from the balance sheet date was 9 months.</p>	-	59.98
5	<p>The term loan amounting to Rs. 800 was taken from Ratnakar Bank Limited during the year ended 31 March 2014. The tenure of loan is 66 months including moratorium period of 6 months.</p> <p>The interest rate applicable is 0.60% above RBL base rate presently 10.25 % p.a . (previous year: 9.85 % p.a).</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.01 (previous year : Rs. 0.11)."</p>	<p>The term loan is repayable in 1 quarterly instalment as below mentioned :</p> <p>- 1 instalment during Financial Year 2019-20 - Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 3 months.</p> <p>The term loan is repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during Financial Year 2018-19 - Rs. 18.05 each</p> <p>- 1 instalment during Financial Year 2019-20 - Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	19.68	-
			-	91.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
6	<p>The term loan amounting to Rs. 150 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 60 months from the date of first disbursement including the 12 month moratorium period.</p> <p>The interest rate applicable is 9.60% p.a payable monthly (previous year: 9.25% p.a., payable monthly).</p> <p>The term loan was secured by :</p> <p>First Pari passu charge on all property, plant and equipment of the Company (both present and future) with minimum 1.0x cover</p> <p>Unconditional and irrevocable personnel guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF).</p> <p>Negative lien on industrial property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 till 31 January 2015 post which the lender will have First pari passu charge by way of equitable mortgage.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.03 (previous year : Rs. 0.49).</p>	<p>The term loan is repayable in 1 quarterly instalment as below mentioned :</p> <p>- 1 instalment during Financial Year 2019-20- Rs. 9.38</p> <p>Period of maturity from the balance sheet date is 3 months.</p>	9.35	-
		<p>The term loan is repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during Financial Year 2018-19 - Rs. 9.38 each</p> <p>- 1 instalment during Financial Year 2019-20 - Rs. 9.38</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	-	46.77

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
7	<p>The term loan amounting to Rs. 750 was taken from Ratnakar Bank Limited during the year ended 31 March 2018. The tenure of the loan is 72 months.</p> <p>The interest rate applicable is 9.70% p.a payable monthly.(previous year: 8.5% p.a.).</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment, both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.97 (previous year : Rs. 4.22).</p>	<p>The term loan is repayable in 19 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20 - Rs. 34.09 each - 4 instalments during Financial Year 2020-21 - Rs. 34.09 each - 4 instalments during Financial Year 2021-22 - Rs. 34.09 each - 4 instalments during Financial Year 2022-23 - Rs. 34.09 each - 3 instalments during Financial Year 2023-24 - Rs. 34.09 each <p>Period of maturity from the balance sheet date is 55 months.</p>	644.76	-
		<p>The term loan is repayable in 22 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during Financial Year 2018-19 - Rs. 34.09 each - 4 instalments during Financial Year 2019-20 - Rs. 34.09 each - 4 instalments during Financial Year 2020-21 - Rs. 34.09 each - 4 instalments during Financial Year 2021-22 - Rs. 34.09 each - 4 instalments during Financial Year 2022-23 - Rs. 34.09 each - 3 instalments during Financial Year 2023-24 - Rs. 34.09 each <p>Period of maturity from the balance sheet date is 67 months.</p>	0	745.76

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
8	<p>The term loan amounting to USD 3.09 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period.</p> <p>The interest rate applicable is fixed rate of 5.25% p.a (previous year: LIBOR + 2.5% p.a) payable monthly.</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 1.50 (previous year : Rs. 2.18).</p> <p>The Company has entered into interest rate swap with Yes Bank Limited basis which floating interest rate i.e LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a.</p>	<p>The term loan is repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20- USD 0.19 million each - 4 instalments during Financial Year 2020-21- USD 0.19 million each - 4 instalments during Financial Year 2021-22- USD 0.19 million each - 4 instalments during Financial Year 2022-23- USD 0.19 million each <p>Period of maturity from the balance sheet date is 48 months.</p>	212.28	-
		<p>The term loan is repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20- USD 0.19 each - 4 instalments during Financial Year 2020-21-USD 0.19 each -4 instalments during Financial Year 2021-22- USD 0.19 each - 4 instalments during Financial Year 2022-23- USD 0.19 each <p>Period of maturity from the balance sheet date is 60 months.</p>	-	198.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
9	<p>The term loan amounting to USD 3.08 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period.</p> <p>USD 0.43 million was repaid during the Financial Year 2018-19 and the repayment of quarterly installments was rescheduled.</p> <p>The interest rate applicable is fixed 5.5% p.a. payable monthly (previous year: LIBOR + 2.5% p.a, payable monthly)</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future.</p> <p>Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 1.48 (previous year: Rs. 2.18).</p> <p>The Company has entered into Interest rate swap with Yes Bank Limited basis which floating interest rate i.e LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a</p>	<p>The term loan repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20- USD 0.17 million each - 4 instalments during Financial Year 2020-21- USD 0.17 million each - 4 instalments during Financial Year 2021-22- USD 0.17 million each - 4 instalments during Financial Year 2022-23- USD 0.17 million each <p>Period of maturity from the balance sheet date is 48 months.</p>	182.34	-
		<p>The term loan repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2019-20- USD 0.19 each - 4 instalments during Financial Year 2020-21- USD 0.19 each - 4 instalments during Financial Year 2021-22- USD 0.19 each - 4 instalments during Financial Year 2022-23- USD 0.19 each <p>Period of maturity from the balance sheet date is 60 months.</p>	-	198.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
10	<p>The term loan amounting to Rs. 1,000 was taken from IndusInd Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The interest rate applicable is as follows: - 8.85% p.a. linked to MIBOR, for first drawdown of Rs. 250, payable monthly (previous year: Nil) - 9.10% p.a. linked to MIBOR, for second drawdown of Rs. 500, payable monthly (previous year: Nil) - 9.93% p.a. linked to MIBOR, for third drawdown of Rs. 250, payable monthly (previous year: Nil)</p> <p>The term loan is secured by :</p> <p>First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Second Pari passu charge by way of extension of mortgage on the immovable properties, property, plant and equipment of the Company's industrial land situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.</p>	<p>The term is loan repayable in 20 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during Financial Year 2019-20- Rs. 25 each - 1 instalment during Financial Year 2020-21- Rs. 25 - 3 instalments during Financial Year 2020-21- Rs. 37.5 each - 1 instalment during Financial Year 2021-22- Rs. 37.5 - 3 instalments during Financial Year 2021-22- Rs. 50 each - 1 instalment during Financial Year 2022-23- Rs. 50 - 3 instalments during Financial Year 2022-23- Rs. 62.5 each - 1 instalment during Financial Year 2023-24- Rs. 62.5 - 3 instalments during Financial Year 2023-24- Rs. 75 - 1 instalment during Financial Year 2024-25- Rs. 75 <p>Period of maturity from the balance sheet date is 61 months.</p>	1,000.00	-
11	<p>The term loan amounting to Rs. 400 was taken from IDFC Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The interest rate applicable is 9.90 % p.a., payable monthly (previous year: Nil)</p> <p>The term loan is secured by :</p> <p>First pari passu charge on the entire moveable property, plant and equipment of the Company.</p> <p>First pari passu charge on the immovable Property, plant and equipment of the Company situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 and immovable property, plant and equipment of the Company.</p>	<p>The term loan is repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during Financial Year 2020-21-Rs. 25 each - 4 instalments during Financial Year 2021-22- Rs. 25 each - 4 instalments during Financial Year 2022-23- Rs. 25 each - 4 instalments during Financial Year 2023-24- Rs. 25 each <p>Period of maturity from the balance sheet date is 60 months.</p>	400.12	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
12	Vehicle loans from Tata Motors Finance Limited represent four vehicle loans taken by the Company during the year ended 31 March 2017. The tenure of the loans is 36 months. Loans from Tata Motors Finance Limited is repayable in 35 monthly instalments. The loans are secured against the respective vehicles. The interest rate applicable to the loans is 9.25% p.a. payable monthly (previous year : 9.25% p.a) The amount of instalment ranging from Rs. 0.35 to Rs. 0.40 per month Period to maturity from the balance sheet date is 8 months (previous year : 20 months)		1.17	2.80
13	The unsecured term loan amounting to Rs. 57.63 was taken by Devyani Airport Services (Mumbai) Private Limited ('DASMPL') from High Street Food Services Private Limited during the year ended 31 March 2014. The interest rate applicable is 12% p.a. payable quarterly (previous year : 12% p.a, payable quarterly) The tenure of the loan is 60 months including moratorium period of 24 months.	The term loan is repayable in 1 quarterly installment as below mentioned : - 1 installment during 2019-20- Rs. 0.39 Period of maturity from the balance sheet date is 3 months.	0.39	-
		The term loan is repayable in 1 quarterly installment as below mentioned : - 1 installment during 2018-19- Rs. 0.39 Period of maturity from the balance sheet date is 3 months.	-	0.39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
14	<p>The term loan amounting to Rs. 130 was taken by Devyani Food Street Private Limited ('DFSPL') from Yes Bank Limited during the year ended 31 March 2012. The interest rate applicable is Yes bank Base rate + 1.75% ,presently Nil (previous year : 9.50% p.a, payable monthly). The tenure of the loan is 7 years.</p> <p>The term loan is secured by :</p> <p>(i) Rs. 90 taken in first tranche</p> <ul style="list-style-type: none"> - Exclusive charge on receivables of the company through an escrow account maintained with the bank. - The Company has to maintain Debt Service Reserve Account (DSRA) for one quarter interest and principal repayment amount. <p>(ii) Rs. 40 taken in second tranche</p> <ul style="list-style-type: none"> - Exclusive charge on receivables of the company through an escrow account maintained with the bank. - Non disposable undertaking from Devyani International Limited for 60% shareholding in the company. - Corporate guarantee of Devyani International Limited amounting to Rs.140. - The Company has to maintain Debt Service Reserve Account (DSRA) for one quarter interest and principal repayment amount. 	<p>The term loan has been repaid in the current year.</p> <p>In the previous year, one installment was due for Rs. 4.88</p> <p>Period of maturity from the balance sheet date was 3 months.</p>		-
			-	4.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
15	<p>The term loan amounting to Rs. 150 was taken by Devyani Food Street Private Limited ('DFSPL') from Yes Bank Limited during the year ended 31 March 2018.</p> <p>The interest rate applicable is 9.50% p.a. payable monthly (previous year : 9.50% p.a). The tenure of the loan is 84 months.</p> <p>The term loan is secured by :</p> <p>First pari passu charge over entire movable property, plant and equipment and current assets of the company.</p> <p>Unconditional and irrevocable corporate guarantee of Devyani International Limited.</p> <p>Non Disposable Undertaking (NDU) from Devyani International Limited for its shareholding in the Company.</p>	<p>The term loan is repayable in 20 equal quarterly installments as mentioned below.</p> <ul style="list-style-type: none"> - 4 installments during 2019-20- Rs. 6.25 each - 4 installment during 2020-21- Rs. 6.25 each - 4 installment during 2021-22- Rs. 6.25 each - 4 installment during 2022-23- 6.25 each - 4 installment during 2023-24- Rs. 6.25 each <p>Period of maturity from the balance sheet date is 60 months</p>	126.11	-
		<p>The term loan is repayable in 24 equal quarterly installments as mentioned below.</p> <ul style="list-style-type: none"> - 4 installments during 2018-19- Rs. 6.25 each - 4 installments during 2019-20- Rs. 6.25 each - 4 installment during 2020-21- Rs. 6.25 each - 4 installment during 2021-22- Rs. 6.25 each - 4 installment during 2022-23- Rs. 6.25 each - 4 installment during 2023-24- Rs. 6.25 each <p>Period of maturity from the balance sheet date is 72 months.</p>	-	151.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
16	<p>The unsecured term loan amounting to Nigerian Naira ('NGN') 35,104,939 was taken from Chellarams Plc during the year ended 31 March 2010.</p> <p>The interest rate applicable is 5% p.a., (previous year : 5% p.a)</p>	<p>The term loan rescheduled in financial year 2018-19 and repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2019-20- Rs.1.35 each - 2 installments during 2020-21- Rs.1.35 each - 1 installment during 2021-22- Rs. 1.33 <p>Period of maturity from the balance sheet date is 30 months.</p>	6.73	-
		<p>The term loan rescheduled in financial year 2017-18 and repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2018-19- Rs. 1.25 each - 2 installments during 2019-20- Rs.1.25 each - 1 installment during 2020-21- Rs. 1.24 <p>Period of maturity from the balance sheet date is 30 months.</p>	-	6.24
17	<p>The unsecured term loan amounting to Nigerian Naira ('NGN') 105,140,615 was taken from Chellarams Plc during the year ended 31 March 2010. The interest rate applicable is 5% p.a.(previous year : 5% p.a)</p>	<p>The term loan rescheduled in financial year 2018-19 and repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2019-20- Rs. 4.03 each - 2 installments during 2020-21- Rs. 4.03 each - 1 installment during 2021-22- Rs. 4.03 <p>Period of maturity from the balance sheet date is 27 months.</p>	20.15	-
		<p>The term loan rescheduled in financial year 2017-18 and repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2018-19- Rs. 3.74 each - 2 installments during 2019-20- Rs. 3.74 each - 1 installment during 2020-21- Rs. 3.72 <p>Period of maturity from the balance sheet date is 27 months.</p>	-	18.68

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
18	The unsecured term loan amounting to NGN 93,075,000 was taken from Chellarams Plc during the year ended 31 March 2017. The interest rate applicable is 5% p.a.(previous year : 5% p.a)	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 1.49 each - 4 installments during 2020-21- Rs. 1.49 each - 3 installments during 2021-22- Rs. 1.49 each - 1 installments during 2021-22- Rs. 1.45 Period of maturity from the balance sheet date is 36 months.	17.84	-
		The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 1.38 each - 4 installments during 2019-20- Rs. 1.38 each - 3 installments during 2020-21- Rs. 1.38 each - 1 installments during 2020-21- Rs. 1.37 Period of maturity from the balance sheet date is 36 months.	-	16.54

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
19	The unsecured term loan amounting to USD 2,124,941 was taken from Chellarams Plc during the year ended 31 March 2012. The interest rate applicable is 5% p.a.(previous year : 5% p.a)	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 10.42 each - 4 installments during 2020-21- Rs. 10.42 each - 3 installments during 2021-22- Rs. 10.42 each - 1 installments during 2021-22- Rs. 10.38 Period of maturity from the balance sheet date is 36 months.	125.00	-
		The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 9.62 each - 4 installments during 2020-21- Rs. 9.62 each - 3 installments during 2021-22- Rs. 9.62 each - 1 installments during 2021-22- Rs. 9.59 Period of maturity from the balance sheet date is 36 months.	-	115.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
20	The unsecured term loan amounting to USD 1,806,049 was taken from Chellarams Plc during the year ended 31 March 2013. The interest rate applicable is 5% p.a. (previous year : 5% p.a).	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 8.85 each - 4 installments during 2020-21- Rs. 8.85 each - 3 installments during 2021-22- Rs. 8.85 each - 1 installments during 2021-22- Rs. 8.85 each Period of maturity from the balance sheet date is 36 months.	106.24	-
		The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 8.17 each - 4 installments during 2020-21- Rs. 8.17 each - 3 installments during 2021-22- Rs. 8.17 each - 1 installments during 2021-22- Rs. 8.22 Period of maturity from the balance sheet date is 36 months.	-	98.09

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
21	The unsecured term loan amounting to USD 849,982 was taken from Chellarams Plc during the year ended 31 March 2013. The interest rate applicable is 5% p.a.(previous year : 5% p.a).	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 4.17 each - 4 installments during 2020-21- Rs. 4.17 each - 3 installments during 2021-22- Rs. 4.17 each - 1 installments during 2021-22- Rs. 4.13 Period of maturity from the balance sheet date is 36 months.	50.00	-
		The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 3.85 each - 4 installments during 2021-22- Rs. 3.85 each - 3 installments during 2022-23- Rs. 3.85 each - 1 installments during 2022-23- Rs. 3.82 Period of maturity from the balance sheet date is 36 months.	-	46.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
22	The unsecured term loan amounting to USD 849,982 was taken from Chellarams Plc during the year ended 31 March 2015. The interest rate applicable is 5% p.a.(previous year : 5% p.a).	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 4.17 each - 4 installments during 2020-21- Rs. 4.17 each - 3 installments during 2021-22- Rs. 4.17 each - 1 installments during 2021-22- Rs. 4.12 Period of maturity from the balance sheet date is 36 months.	49.99	-
		"The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 3.85 each - 4 installments during 2020-21- Rs. 3.85 each - 3 installments during 2021-22- Rs. 3.85 each - 1 installments during 2021-22- Rs. 3.81 Period of maturity from the balance sheet date is 36 months.	-	46.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
23	The unsecured term loan amounting to USD 1,274,791 was taken from Chellarams Plc during the year ended 31 March 2015. The interest rate applicable is 5% p.a.(previous year : 5% p.a).	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 6.25 each - 4 installments during 2020-21- Rs. 6.25 each - 3 installments during 2021-22- Rs. 6.25 each - 1 installments during 2021-22- Rs. 6.24 Period of maturity from the balance sheet date is 36 months.	74.99	-
		The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 5.77 each - 4 installments during 2020-21- Rs. 5.77 each - 4 installments during 2021-22- Rs. 5.77 each Period of maturity from the balance sheet date is 36 months.	-	69.24

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
24	The unsecured term loan amounting to USD 1,517,045 was taken from Chellarams Plc during the year ended 31 March 2016. The interest rate applicable is 5% p.a. (previous year : 5% p.a).	The term loan rescheduled in financial year 2018-19 and repayable in 10 quarterly installments as below mentioned is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 9.72 each - 4 installments during 2020-21- Rs.9.72 each - 2 installment during 2021-22- Rs. 9.72 each Period of maturity from the balance sheet date is 28 months.	97.20	-
		The term loan rescheduled in financial year 2018-19 and repayable in 10 quarterly installments as below mentioned is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 8.98 each - 4 installments during 2019-20- Rs. 8.98 each - 1 installment during 2020-21- Rs. 8.98 each - 1 installment during 2020-21- Rs. 8.93 each Period of maturity from the balance sheet date is 28 months.	-	89.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
25	The unsecured term loan amounting to USD 395,055 was taken from Chellarams Plc during the year ended 31 March 2017. The interest rate applicable is 5% p.a (previous year : 5% p.a).	The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- Rs. 1.27 each - 4 installments during 2020-21- Rs. 1.27 each - 3 installments during 2021-22- Rs. 1.27 each - 1 installments during 2021-22- Rs. 1.33 Period of maturity from the balance sheet date is 36 months.	15.30	-
		The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 1.17 each - 4 installments during 2019-20- Rs. 1.17 each - 3 installments during 2020-21- Rs. 1.17 each - 1 installments during 2020-21- Rs. 1.24 Period of maturity from the balance sheet date is 36 months.	-	14.11
26	The term loan from ECO Bank was taken during the year ended 31 March 2011. The interest rate applicable ranged between 18% to 19% p.a. (previous year: 18% to 19 % p.a)payable monthly. The tenure of the loan is 90 months including moratorium period of 6 months. The term loan is secured by : - All assets debenture on the assets of DINL	The term loan has been repaid in the current year. In the previous year, the term loan was repayable in 2 monthly installments as below mentioned : - 1 installments during 2018-19- of Rs. 0.40 and, - 1 installments during 2018-19- of Rs. 0.39 Period of maturity from the balance sheet date was 2 months.	-	-
			-	0.79

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
27	<p>The term loan was taken by Devyani International Nepal Private Limited ('DINPL') from NMB Bank during the year ended 31 March 2011. The interest rate applicable is 9% (previous year: 9 % p.a). The tenure of the loan is 120 months including moratorium period of 12 months.</p> <p>The term loan is secured by :</p> <ul style="list-style-type: none"> - Hypothecation of all fixed assets of DINPL. - Hypothecation over entire current assets of DINPL. - Personal guarantee of Mr. Ravi Kant Jaipuria. - Corporate guarantee of M/s Varun Beverages (Nepal) Private Limited. 	<p>The term loan has been repaid in the current year. In the previous year, the loan was repayable in 4 half yearly installments as below mentioned :</p> <ul style="list-style-type: none"> - 1 installment during 2018-19- Rs. 4.35 - 1 installment during 2018-19- Rs. 2.15 - 2 installments during 2019-20- Rs. 2.15 each <p>Period of maturity from the balance sheet date was 24 months.</p>	-	-
			-	10.73
28	<p>The term loan amounting to NPR 100,00,000 was taken from Everest Bank Limited during the year ended 31 March 2019. The tenure of the loan is 18 months .</p> <p>The rate of Interest is 11.7 % (previous year: Nil) linked to BR quarterly rest</p> <p>The term loan is secured by :</p> <p>Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company.</p> <p>Further the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors</p>	<p>The term loan is repayable in 2 half yearly installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2018-19- Rs.2.17 and Rs.1.86 <p>Period of maturity from the balance sheet date is 10 months.</p>	4.03	-
29	<p>The term loan amounting to NPR 304,93,505 was taken from Everest Bank Limited during the year ended 31 March 2019. The tenure of the loan is 60 months .</p> <p>The rate of Interest is 11.7 % (previous year: Nil) linked to BR quarterly rest</p> <p>The term loan is secured by :</p> <p>Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company.</p> <p>Further the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors</p>	<p>The term loan is repayable in 20 quarterly installments as below mentioned :</p> <ul style="list-style-type: none"> - 4 installments during 2019-20- Rs.0.98 - 4 installments during 2020-21- Rs.0.98 - 4 installments during 2021-22- Rs .0.98 - 4-installments during 2022-23- Rs.0.98 - 2-installments during 2023-24- Rs.0.98 - 1-installments during 2023-24-of Rs.0.35 <p>Period of maturity from the balance sheet date is 57 months.</p>	17.95	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

S.No.	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
30	<p>The term loan amounting to NPR 21,583,603 was taken from Everest Bank Limited during the year ended 31 March 2019. The tenure of the loan is 60 months .</p> <p>The rate of Interest is 11.7 % (previous year : Nil) linked to BR quarterly rest</p> <p>The term loan is secured by :</p> <p>Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company.</p> <p>Further the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors</p>	<p>The term loan is repayable in 20 quarterly installments as below mentioned :</p> <ul style="list-style-type: none"> - 4 installments during 2019-20-Rs.0.67 - 4 installments during 2020-21-Rs.0.67 - 4 installments during 2021-22-Rs.0.67 - 4-installments during 2022-23-Rs.0.67 -2-installments during 2023-24-Rs.0.67 -1-installments during 2023-24-Rs.0.35 <p>Period of maturity from the balance sheet date is 57 months.</p>	13.39	-
31	<p>2.25 millions redeemable preference shares were issued during the year 2017-2018 as fully paid with a par value of Rs 10 . The redeemable preference shares are mandatorily redeemable at par in the year 2022-2023 and the Group is obliged to pay holders of these shares dividends at the rate of 8 % of the par amount per annum, subject to availability of distributable profits .</p>		104.30	100.29
	Total		4,205.22	3,312.58

The information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 33.

*Current portion of long term borrowings includes interest accrued of Rs. 9.34 (previous year: Rs. 11.70). The same has been included in 'Other current financial liabilities'. Refer to Note 18.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

17. Short term borrowings

	As at 31 March 2019	As at 31 March 2018
Loans repayable on demand from banks	676.93	407.25
Cash credit and overdraft facility from banks (secured)	676.93	407.25

Loan terms	As at 31 March 2019	As at 31 March 2018
The credit facility taken from Standard Chartered Bank carries interest rate of 19% p.a. The facility is secured by: - Charge on all the assets of Devyani International (Nigeria) Limited - Corporate Guarantee from Chellarams Plc - Corporate Guarantee from RV Enterprises Pte Ltd	190.40	407.25
The credit facility taken from Standard Chartered Bank carries variable interest rate, currently 11.55% p.a. The facility is secured by: - First pari passu charge on stock and book debts of the Holding Company. - Subservient charge over movable fixed assets of the Holding Company.	-	0.03
The credit facility taken from HDFC Bank carries interest rate of HDFC Bank PLR- 2% p.a, currently 9.15 % p.a. (interest payable on monthly rests). The credit facility is secured by: - First pari passu charge on entire current assets of the company with IDBI Bank. - Second pari passu charge on all property, plant and equipment of the Holding Company.	486.53	-

18. Other financial liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Current portion of long-term borrowings (Refer to Note 16)	-	-	880.38	593.63
Security deposits payable	28.36	16.59	17.23	9.54
Derivatives (interest rate swap)	5.36	-	-	-
Capital creditors	-	11.47	143.82	200.13
Others	-	-	9.10	8.62
	33.72	28.06	1,050.53	811.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

19. Provisions

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits				
Gratuity (Refer to Note 42)	82.70	53.09	8.41	17.38
Compensated absences	55.35	45.97	23.85	20.01
	138.05	99.06	32.26	37.39

20. Other liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Advances from customers	-	-	43.42	20.13
Deferred income	6.90	3.20	3.16	4.43
Lease equalisation reserve	488.18	416.97	-	-
Statutory dues payable	-	-	-	182.69
GST payable	-	-	57.78	-
TDS payable	-	-	34.52	-
Other statutory dues payable	-	-	43.94	-
Employee related payables	-	-	116.51	209.51
Other payable	-	-	6.68	-
	495.08	420.17	306.01	416.76

Contract balances

The following table provides information about contractual liability (advance from customers) from contract with customers:

	As at 31 March 2019	As at 31 March 2018
Contractual liability	43.42	20.13
	43.42	20.13

Revenue recognised that was included in the contract liability balance at the beginning of the year amounts to Rs. 20.13.

21. Trade payables

	As at 31 March 2019	As at 31 March 2018
total outstanding dues of micro enterprises and small enterprises (Refer to note below)	23.64	2.56
total outstanding dues of creditors other than micro enterprises and small enterprises	1,325.83	1,260.49
total outstanding dues of related parties	18.72	19.21
	1,368.19	1,282.26

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

22. Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Finished goods	12,868.63	10,968.03
Traded goods	490.01	36.68
Other operating revenues		
Marketing and other support services	80.21	98.15
Scrap sales	4.11	3.26
	13,442.96	11,106.12

23. Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income under effective interest method from:		
-bank deposits	3.12	11.09
-others	9.18	1.41
Interest income from financial assets at amortized cost	60.13	35.53
Other non-operating income:		
-Liabilities no longer required written back	12.79	89.96
-Rental income	142.61	106.89
-Commission income	0.46	1.76
-Net gain on foreign currency transactions	-	0.25
-Miscellaneous income	2.35	3.69
	230.64	250.58

24. Cost of materials consumed

	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw material and packing material consumed		
Inventories at the beginning of the year	314.92	339.31
Add: Purchases during the year (net)	3,854.76	3,261.55
Less: Inventories at the end of the year	396.78	314.92
	3,772.90	3,285.94

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

25. Purchases of stock-in-trade

	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of stock-in-trade	317.29	219.52
	317.29	219.52

26. Changes in inventories of stock-in-trade

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening Stock	131.40	-
Closing Stock	152.64	131.40
Net (increase)/decrease in stock-in-trade	(21.24)	(131.40)

27. Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,872.03	1,533.01
Contribution to provident and other funds	142.25	126.55
Expenses related to post-employment defined benefit plan (Refer to Note 42)	21.85	19.89
Employee stock option scheme expenses	2.52	2.73
Staff welfare expenses	44.40	39.91
	2,083.05	1,722.09

28. Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expenses		
Interest on borrowings measured at amortised cost	359.83	306.37
Interest accretion on financial liabilities measured at amortised cost	7.00	16.51
Others	1.70	0.37
Net loss / (gain) on foreign currency transactions and translation to the extent regarded as borrowing cost*	14.24	(13.78)
	382.77	309.47

* Schedule III to the Companies Act, 2013 requires disclosure of exchange differences arising from foreign currency term loan to the extent that they are regarded as an adjustment to finance cost. The amount of Rs. 14.24 (previous year gain of: Rs. (13.78)) representing this adjustment has been disclosed in the above note. The remaining exchange loss of Rs. 12.62 (previous year: Rs. Nil) has been disclosed under "Other expenses".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

29. Depreciation and amortisation expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment (Refer to Note 3)	770.40	612.25
Amortisation of other intangible assets (Refer to Note 4)	58.83	57.56
	829.23	669.81

30. Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	865.19	725.23
Rent (Refer to Note 34)	2,714.43	1,950.17
Repairs and maintenance		
-Plant and equipment	159.86	151.00
- Buildings	303.42	242.72
-Others	71.24	48.27
Rates and taxes	72.67	46.44
Travelling and conveyance	122.39	82.33
Legal and professional	50.72	37.39
Management fee	8.76	5.46
Auditor's remuneration (Refer to Note below)	14.36	10.67
Water charges	39.90	25.66
Insurance	15.73	13.41
Printing and stationery	14.93	12.41
Communication	107.47	108.25
Directors' sitting fee	1.53	1.76
Security and service charges	106.52	86.16
Bank charges	17.65	26.92
Advertisement and sales promotion	737.82	427.62
Commission and brokerage	6.99	10.70
Credit card commission and cash pickup charges	115.60	87.01
Royalty and continuing fee	731.03	570.25
Freight, octroi and insurance paid	294.90	228.24
Delivery vehicle running and maintenance	11.40	13.38
Loading and unloading charges	14.45	10.15
Loss on sale of property, plant and equipment	11.49	3.79
Bad debts and advances written off	0.69	-
Allowance for doubtful debts	6.38	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net loss on foreign currency transactions and translations	2.66	31.92
Derivatives at FVTPL	5.36	-
Provision for impairment loss in value of equity accounted investee	-	25.00
General office and other miscellaneous expenses	98.29	103.27
	6,715.07	5,080.12

Note: Auditor's remuneration

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor	11.89	10.50
Statutory audit*	0.21	-
Tax matters	1.51	-
Others matters	0.75	0.17
Outlays	14.36	10.67

*Inclusive of applicable taxes

31. Income Tax

(a) Amounts recognised in the Statement of Profit and Loss comprises:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax:		
Current tax		
- Current year	4.16	22.57
- Previous years	4.37	-
	8.53	22.57
Deferred tax expense:		
Attributable to Origination and reversal of temporary differences	2.78	30.97
	11.31	53.54
(b) Income tax recognised in other comprehensive income		
Income tax relating to remeasurement of defined benefit plans	0.39	(0.16)
Income tax relating to exchange difference in translating financial statements of foreign operations	-	-
	0.39	(0.16)
(c) Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:		
Profit/(Loss) before tax	(653.00)	302.84
Tax using the Company's domestic tax rate [34.944% (previous year: 34.608%)]	(228.18)	104.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Effect of :		
Difference in tax rate of various entities	85.38	24.81
Effect of change in foreign exchange	(8.36)	-
Share of loss of equity accounted investees	-	6.06
Change in unrecognised temporary differences	36.69	(7.23)
Recognition of previously unrecognised tax losses	-	(39.07)
Income tax pertaining to previous years	4.37	4.08
Unrecognised tax losses and depreciation	97.13	18.00
Rate change impact on deferred tax *	4.83	(143.12)
Others	19.43	23.26
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	11.29	(8.40)

* Represents the change in enacted tax rate as on the reporting date.

(d) Income tax assets and Income tax liabilities:

	Non Current	
	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provision of tax)	96.22	102.06
	96.22	102.06

(e) Income tax liabilities:

	Current	
	As at 31 March 2019	As at 31 March 2018
Income tax liability(net of provision of advance tax)	2.82	2.97
	2.82	2.97

(f) Deferred tax assets/liabilities

	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment and intangible assets (net)	404.07	406.06	(77.94)	(94.33)	326.13	311.74
Employee related provisions and liabilities	78.01	67.64	-	-	78.01	67.64
Financial Instruments at amortised cost	76.61	65.04	(6.84)	(6.21)	69.77	58.83
Share based payment	39.81	38.75	-	-	39.81	38.75
Others	18.78	10.83	(54.29)	(53.66)	(35.51)	(42.83)
Unabsorbed depreciation and tax losses	1,047.57	950.26	-	-	1,047.57	950.26
	1,664.87	1,538.58	(139.07)	(154.19)	1,525.79	1,384.39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities					(139.07)	(154.19)
Deferred tax assets					1,664.87	1,538.58
Deferred tax assets recognised (net of recognised deferred tax liabilities)					28.67	30.81

* The Group recognised deferred tax assets Rs 28.67 (previous year :Rs 30.81) which belongs to Devyani International (Nepal) India Private Limited and Devyani Food Street Private Limited having convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. As at 31 March 2019 and As at 31 March 2018, the Group has significant unabsorbed depreciation and carry forward losses. The Group has not recognised deferred tax assets in respect of deductible temporary difference, unused tax losses and unabsorbed depreciation of Rs. 1,497.12 and Rs 1,353.58 as of March 31, 2019 and March 31, 2018 respectively as there no convincing evidence that sufficient taxable profit will be available against which these deferred tax asset can be realised

(g) Movement of temporary differences (Recognised)

	As at 31 March 2017	Recognised in Profit or Loss during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018	Recognised in Profit or Loss during 2018-19	Recognised in OCI during 2018-19	As at 31 March 2019
Property, plant and equipment and intangible assets (net)	-	21.01	-	21.01	(1.02)	-	19.99
Employee related provisions and liabilities	-	7.34	(0.16)	7.18	(1.28)	0.39	6.29
Financial Instruments at amortised cost	-	2.58	-	2.58	(2.00)	-	0.58
Others	-	0.04	-	0.04	1.78	-	1.82
	-	30.97	(0.16)	30.81	(2.52)	0.39	28.67

(h). Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2019		As at 31 March 2018	
	Gross Amount	Unrecognised Tax Effect	Gross Amount	Unrecognised Tax Effect
Unabsorbed depreciation				
-Never expire	2,722.09	888.47	2,522.24	830.01
Business Loss				
Expire year:				
2023-24	-	-	8.67	2.23

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	Gross Amount	Unrecognised Tax Effect	Gross Amount	Unrecognised Tax Effect
2024-25	-	-	19.23	4.95
2025-26	-	-	37.04	9.54
2026-27	73.21	19.04	-	-
-Never expire	537.26	140.06	345.10	103.53
	3,332.56	1,047.57	2,932.28	950.26

32. Earnings / (loss) per share (EPS)

Profit / (Loss) attributable to owners of the Company for calculation of basic and diluted EPS

Weighted average number of equity shares for the calculation of basic EPS

Effect of dilutive potential equity shares*

– Employee stock options

Weighted average number of equity shares for calculation of diluted EPS

Basic earnings / (loss) per share (Rs.)

Diluted earnings / (loss) per share (Rs.)

Nominal value of equity shares

	For the year ended 31 March 2019	For the year ended 31 March 2018
	(483.54)	459.71
	106,166,666	106,166,666
	*	1,892,015
	106,166,666	108,058,681
	(4.55)	4.33
	(4.55)	4.25
	10.00	10.00

* As at 31 March 2019, the outstanding potential equity shares had an anti-dilutive effect on EPS, hence there was no dilution of EPS for the year ended 31 March 2019.

33. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2019

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Loans	7	-	-	458.41	458.41	-	-	458.41
(ii) Other financial assets*	8	-	-	39.82	39.82			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars		Carrying value				Fair value measurement using		
	Note	Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Current								
(i) Trade receivables*	11	-	-	229.84	229.84			
(ii) Cash and cash equivalents*	12	-	-	265.72	265.72			
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	5.10	5.10			
(iv) Loans	7	-	-	95.80	95.80	-	-	95.80
(v) Other financial assets*	8	-	-	0.58	0.58			
Total		-	-	1,095.27	1,095.27			
Financial liabilities								
Non current								
(i) Borrowings#	16	-	-	3,324.84	3,324.84	-	3,324.84	-
(ii) Other financial liabilities	18							
Security deposits payable		-	-	28.36	28.36	-	-	28.36
Derivatives (interest rate swap)		-	-	5.36	5.36	-	5.36	-
Current								
(i) Borrowings#	17	-	-	676.93	676.93	-	676.93	-
(ii) Trade payables*	21	-	-	1,368.19	1,368.19			
(iii) Other financial liabilities	18			-				
Current portion of long-term borrowings#		-	-	880.38	880.38	-	880.38	-
Security deposits payable		-	-	17.23	17.23	-	-	17.23
Capital creditors*		-	-	143.82	143.82			
Others*		-	-	9.10	9.10			
Total		-	-	6,454.21	6,454.21			

(i) As on 31 March 2018

Particulars		Carrying value				Fair value measurement using		
	Note	Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Loans	7	-	-	399.43	399.43	-	-	399.43
(ii) Other financial assets*	8	-	-	43.09	43.09			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars		Carrying value				Fair value measurement using		
	Note	Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Current								
(i) Trade receivables*	11	-	-	184.05	184.05			
(ii) Cash and cash equivalents*	12	-	-	443.03	443.03			
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	4.70	4.70			
(iv) Loans	7	-	-	59.45	59.45	-	-	59.45
(v) Other financial assets*	8	-	-	1.37	1.37			
Total		-	-	1,135.12	1,135.12			
Financial liabilities								
Non current								
(i) Borrowings#	16	-	-	2,718.95	2,718.95	-	2,718.95	-
(ii) Other financial liabilities	18	-	-					
Security deposits payable		-	-	16.59	16.59	-	-	16.59
Capital creditors*		-	-	11.47	11.47			
Current								
(i) Borrowings#	17	-	-	407.25	407.25	-	407.25	-
(ii) Trade payables*	21	-	-	1,282.26	1,282.26			
(ii) Other financial liabilities	18							
Current portion of long-term borrowings#		-	-	593.63	593.63	-	593.63	-
Security deposits payable		-	-	9.54	9.54	-	-	9.54
Capital creditors*		-	-	200.13	200.13			
Others*		-	-	8.62	8.62			
Total		-	-	5,248.44	5,248.44			

The Group's borrowings have fair values that approximate to their carrying amounts as they are based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables, capital creditors and certain other current financial liabilities approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

The fair values for loan were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values for security deposits payable were calculated based on discounted cash flows using a current lending rate.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2019 and 31 March 2018.

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

-Fair value of derivatives using dealer quote for similar instruments (on marked to market value as on balance sheet date of such derivative transaction)

-Fair value of non-derivative financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

The finance department of the respective company of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. These teams performs valuation either internally or externally through valuers and reports directly to the respective senior management. Discussions on valuation and results are held between the senior management and valuation teams on annual basis.

Significant inputs

Significant inputs used in Level 2 fair value of derivatives measured at FVTPL is marked to market value as on balance sheet date of such derivative transaction.

b. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market Risk - Foreign Currency ; and
- Market Risk - Interest Rate

Risk Management Framework

The Board of Directors of the Company is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the Group's activities

The Board of Directors of the Company oversee, how the management monitors compliance with Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group.

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Loans	554.21	458.88
(ii) Trade receivables	229.84	184.05
(ii) Cash and cash equivalents	265.72	443.03
(iv) Bank balances other than cash and cash equivalents, above	5.10	4.70
(v) Other financial assets(current and non-current)	40.40	44.46

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents above) and other financial assets is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loans primarily represents security deposits given to lessors for premises taken on lease . Such deposits will be returned to the Group on vacation of the premises or termination of the agreement whichever is earlier.

The exposure to the credit risk at the reporting date is primarily from security deposit receivables and trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, Nigeria, United Kingdom and Nepal. Trade receivables also includes receivables from credit card companies which are generally realisable on fortnightly basis. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. Based on the business environment in which the Group operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however the Group based upon past trends determine an impairment allowance for loss on receivables (other than receivables from related parties) outstanding for more than 180 days past due. For receivables from related parties impairment allowance is made on receivables outstanding for more than 365 days past due Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's exposure to credit risk for trade receivables is as follows:

For trade receivables other than receivables from related parties:

Particulars	Gross Carrying Amount	
	As at 31 March 2019	As at 31 March 2018
Not due	124.72	78.85
1-90 days past due*	47.02	42.42
91 to 180 days past due*	5.69	15.40
More than 180 days past due #	16.33	49.90
	193.76	186.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

For trade receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2019	As at 31 March 2018
Not due	29.77	13.70
1-90 days past due*	8.13	6.92
91 to 180 days past due*	0.66	1.73
181 to 365 days past due *	3.90	0.76
More than 365 days past due #	-	-
	42.46	23.11

* The Group believes that the unimpaired amounts that are past due for less than 180 days in case of receivables from other than related parties and 365 days in case of receivables from related parties are still collectible in full, based on historical payment behavior, and subsequently collected.

The Group based upon past trends determine an impairment allowances for doubtful receivables outstanding for more than 180 days past due. For receivables from related parties, impairment allowance is made on receivables outstanding for more than 365 days past due.

Movement in the allowance for impairment in respect of trade receivables	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	25.63	25.63
Bad debts written off	(25.63)	-
Impairment allowances for doubtful receivables	6.38	-
Balance at the end of the year	6.38	25.63

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank deposits maturing within a year (including bank deposits under lien and excluding interest accrued but not due) of Rs. 270.82 (previous year: Rs. 447.73), anticipated future internally generated funds from operations and its fully available, revolving undrawn credit facility of Rs. 255.03 (previous year: Rs. 303.91) and other current assets (financial and non-financial) of Rs. 875.64 (previous year: Rs. 692.12) will enable it to meet its future known obligations due in next year in the ordinary course of business. In the current year ended 31 March 2019, the Group has earned a cash inflow from operating activities of Rs. 760.97 (previous year 909.71). Further, the Group generated an Earnings before Tax and Depreciation and Impairment of Rs. 423.76 (previous year: Rs. 878.46) Based on the projections, the Group expects to earn cash inflow from operating activities, which can be used to settle liabilities in the near future. However, if a liquidity needs were to arise, the Group believes it has access to financial and operational support from RJ Corp Limited (ultimate holding company), which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows
- Maintaining diversified credit lines

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at 31 March 2019		Contractual cash flows				
Non-derivative financial liabilities	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Long term borrowings including current portion	4,205.22	483.85	404.74	3,149.82	179.30	4,217.71
Trade Payables	1,368.19	1,368.19	-	-	-	1,368.19
Security deposits payable	45.59	13.34	4.14	22.49	16.15	56.12
Short term borrowings	676.93	676.93	-	-	-	676.93
Capital creditors	143.82	143.82	-	-	-	143.82
Others	9.10	9.10	-	-	-	9.10
	6,448.85	2,695.23	408.88	3,172.31	195.45	6,471.87

As at 31 March 2019		Contractual cash flows				
Derivative financial liabilities	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Derivatives (interest rate swap)	5.36	-	-	-	5.36	5.36
	5.36	-	-	-	5.36	5.36

As at 31 March 2018		Contractual cash flows				
Non-derivative financial liabilities	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Long term borrowings including current portion	3,312.58	315.51	281.46	2,500.82	227.56	3,325.35
Trade Payables	1,282.26	1,282.26	-	-	-	1,282.26
Security deposits payable	26.13	8.19	1.40	17.84	-	27.43
Short term borrowing	407.25	407.25	-	-	-	407.25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

As at 31 March 2018		Contractual cash flows				
Non-derivative financial liabilities	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Capital creditors	211.60	211.60	-	-	-	211.60
Others	8.62	8.62	-	-	-	8.62
	5,248.44	2,233.43	282.86	2,518.66	227.56	5,262.51

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

A. Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Fixed Rate Instruments	As at 31 March 2019	As at 31 March 2018
Indian rupee term loan	1.56	3.19
Foreign currency term loans	563.44	520.38
Impact of interest rate swaps	394.62	-
	959.62	523.57

Variable - rate instruments	As at 31 March 2019	As at 31 March 2018
Indian rupee term loan	3,105.91	2,280.84
Short term borrowings	676.93	407.25
Foreign currency term loan	430.01	407.88
Impact of interest rate swaps	(394.62)	-
	3,818.23	3,095.97

Interest rate sensitivity analysis

The following table illustrates the sensitivity of consolidated profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Change in interest rate on loans from banks (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in consolidated profit or loss and other equity for the year ended 31 March 2019	(31.98)	31.98
Increase / (decrease) in consolidated profit or loss and other equity for the year ended 31 March 2018	(20.42)	20.42

B. Currency risk

Exposure to Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Investment and Borrowing Committee of the Company evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies

Exposure to Foreign currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2019 and 31 March 2018 are as below:

		As at 31 March 2019		As at 31 March 2018	
		Amount	Amount	Amount	Amount
		(in foreign currency)	(in Rs.)	(in foreign currency)	(in Rs.)
Financial Assets					
Trade receivables	USD	-	-	0.39	25.61
Other receivables	GBP	0.02	1.81	-	-
Total Financial Assets			1.81		25.61
Financial Liabilities					
Trade payables	GBP	0.11	10.27	0.13	11.87
Trade payables	USD	0.18	12.42	0.16	11.02
Foreign currency loans from banks	USD	5.70	394.62	6.17	396.36
	NPR	57.02	35.37	17.08	10.72
Borrowings	USD	8.82	563.44	8.82	520.38
Total Financial Liabilities			1,016.62		950.36

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2019 (previous year ending as on 31 March 2018) would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Consolidated profit or loss for the year ended 31 March 2019		Consolidated profit or loss for the year ended 31 March 2018	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	9.70	(9.70)	9.02	(9.02)
NPR	0.35	(0.35)	0.11	(0.11)
GBP	0.08	(0.08)	0.12	(0.12)

Particulars	Equity (net of tax) for the year ended 31 March 2019		Equity (net of tax) for the year ended 31 March 2018	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	9.70	(9.70)	9.02	(9.02)
NPR	0.35	(0.35)	0.11	(0.11)
GBP	0.08	(0.08)	0.12	(0.12)

USD: United States Dollar, GBP: Great British Pound.

34. Operating leases

a) The Group has taken various premises on operating lease for running its Restaurants and Restaurant Support Centre (RSC). The lease term is generally for 3-12 years and are extendable by mutual consent on expiry of the lease. The leases generally have a lock-in-period and are cancellable in nature at the option of the lessee thereafter. The lease agreements have an escalation clause, which is in line with General inflation rate and Small consumer price index.

(b) During the year, lease payments under operating leases amounting to Rs. 2714.43 (previous year Rs. 1950.17) have been recognised as an expense in the Consolidated Statement of Profit and Loss. Further, rent paid for new stores, during the construction period amounting Rs. Nil (previous year Rs. 1.28) has been capitalised as part of leasehold improvements. In certain operating lease agreements, the Group is required to pay a contingent rent, which is computed as a fixed percentage of the revenue earned from that particular store. During the year, the Group has paid Rs. 346.81 (previous year Rs. 390.18) on account of such contingent rent as a fixed percentage of actual sales.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable within one year	2,260.86	1,529.80
Payable between one and five years	9,097.82	5,780.49
Payable after five years	7,085.05	2,619.20
Total	18,443.73	9,929.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Non-cancellable operating lease rentals receivable (minimum lease receipts) under these leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable within one year	82.95	44.78
Receivable between one and five years	139.93	55.81
Receivable after five years	50.01	46.30
Total	272.89	146.89

Income from sub-lease of Rs. 142.61 (previous year: Rs. 106.89) has been recognised in the Standalone Statement of Profit and Loss.

35. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party

RJ Corp Limited

(b) Wholly owned subsidiaries

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

(c) Subsidiaries

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

(d) Joint Venture

The Minor Food Group (India) Private Limited

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party

RJ Corp Limited

(b) Joint Venture

The Minor Food Group (India) Private Limited

(c) Key management personnel :

Mr. Ravi Kant Jaipuria - Director of the Company

Mr. Raj. P. Gandhi- Director of the Company

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director of the Company

Mr. Sanjay Kumar Sareen- Chief Financial Officer of the Company (8 December 2016 till 3 August 2017)

Mr. Som Nath Chopra- Chief Financial Officer and Additional Director of the Company (from 9 August 2017 till 16 December 2018)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Mr. Sanjeev Arora- Chief Financial Officer and Director of the Company (with effect from 18 January 2019)

Mr. Girish Ahuja- Independent Director of the Company (till 17 March 2018)

Ms. Rashmi Dhariwal- Independent Director of the Company (with effect from 06 April 2018)

Dr. Ravi Gupta - Independent Director of the Company (with effect from 06 April 2018)

Mr. Lalit Yadav - Company Secretary of the Company (from 4 December 2017 till 28 March 2019)

Mr. Ravindra Dhariwal - Independent Director of the Company (till 17 March 2018)

(d) Other related parties - Entities which are joint venture or where control/significant influence exist of parties given in note (I) and (II) above :

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Diagno Labs Private Limited

High Street Food Services Private Limited

Varun Beverage Nepal Private Limited

Chellarams Plc

(III) Transactions with related parties during the year ended 31 March 2019 and 31 March 2018

	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Sale of products (Finished goods)		
Lineage Healthcare Limited	0.12	0.17
Modern Montessori International (India) Private Limited	2.27	2.30
Champa Devi Jaipuria Charitable Trust	45.36	41.84
RJ Corp Limited	0.49	0.44
Alisha Retail Private Limited	6.81	12.70
Devyani Food Industries Limited	51.73	39.27
Varun Beverages Limited	3.49	3.13
Mala Jaipuria Foundation	1.49	1.17
(ii) Sale of products (Traded goods)		
Champa Devi Jaipuria Charitable Trust	-	0.57
RJ Corp Limited	0.01	0.12
Alisha Retail Private Limited	-	0.05
Varun Beverages Limited	0.83	0.48
Lineage Healthcare Limited	-	0.03
(iii) Marketing and other support services (Other operating revenue)		
Devyani Food Industries Limited	-	7.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lineage Healthcare Limited	0.06	0.07
Champa Devi Jaipuria Charitable Trust	-	0.87
(iv) Sale of property, plant and equipment		
Alisha Retail Private Limited	0.48	0.15
Diagno Labs Private Limited	0.15	1.28
(v) Purchase of raw materials		
Varun Beverages Limited	84.56	111.66
Devyani Food Industries Limited	0.41	3.74
Alisha Retail Private Limited	1.74	0.51
Varun Beverage Nepal Private Limited	5.70	5.70
Chellarams Plc	5.50	16.36
(vi) Purchase of property, plant and equipment		
Alisha Retail Private Limited	0.13	0.21
The Minor Food Group (India) Private Limited	0.52	-
(vii) Payment to gratuity trust		
DIL Employee Gratuity Trust	10.00	25.00
(viii) Expenses incurred by other company on behalf of the Company		
Varun Beverages Limited	-	0.62
Alisha Retail Private Limited	0.03	-
Devyani Food Industries Limited	0.02	-
(ix) Expenses incurred on behalf of other company		
The Minor Food Group (India) Private Limited	0.60	-
(x) Rent expense		
S V S India Private Limited	0.08	0.08
Alisha Retail Private Limited	0.10	-
(xi) Rental income		
The Minor Food Group (India) Private Limited	0.83	1.28
Alisha Retail Private Limited	3.82	5.48
(xii) Issuance of preference shares		
High Street Food Services Private Limited	-	22.60
(xiii) Repayment of unsecured loans and finance cost		
High Street Food Services Private Limited	-	23.14
(xiv) Director's Sitting Fees*		
Mr. Girish Ahuja	-	0.60
Mr. Ravindra Dhariwal	-	0.60
Mr. Ravi Gupta	0.50	-
Mrs. Rashmi Dhariwal	0.80	-

*Excludes applicable taxes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
(xv) Compensation to key managerial personnel		
Short-term employment benefits	34.91	24.15
Postemployment benefits	1.72	1.17
Share based payments	-	2.48

The above remuneration to key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

(IV) Balances as at 31 March 2019 and 31 March 2018:

	As at 31 March 2019	As at 31 March 2018
(i) Payables		
Varun Beverage Nepal Private Limited	0.36	0.29
Chellarams Plc	18.07	18.92
The Minor Food Group (India) Private Limited	0.29	-
Employee related payable	-	1.32
(ii) Trade receivables		
The Minor Food Group (India) Private Limited	-	0.14
Varun Beverages Limited	2.26	-
Alisha Retail Private Limited	3.34	3.92
Devyani Food Industries Limited	26.16	6.42
Modern Montessori International (India) Private Limited	0.38	0.16
Champa Devi Jaipuria Charitable Trust	6.21	10.76
Lineage Healthcare Limited	0.03	0.08
Mala Jaipuria Foundation	1.24	0.65
Diagno Labs Private Limited	1.69	1.51
RJ Corp Limited	1.20	0.65
(iii) Other assets - Advance to supplier		
Varun Beverages Limited	-	6.81
(iv) Borrowings		
High Street Food Services Private Limited	0.86	0.82
Chellarams Plc	563.44	520.38
(vii) Guarantees/security given by the other party on behalf of the Company		
Ravi Kant Jaipuria^	46.41	46.41

^Mr. Ravi Kant Jaipuria has given personal guarantee to Yes Bank in respect of term loan of Rs. 150 (previous year - Rs. 150) taken by Company during the year ended 31 March 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

(V) Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at year end are unsecured and settlement occurs in cash.

36. Contingent liabilities, commitments and other claims

(to the extent not provided for)

Contingent liabilities and other claims:

(a) Claims against the Group not acknowledged as debts:-

(i) Claims made by Sales tax authorities, Service tax authorities and Income tax authorities

Name of the statute	Nature of the dues	As at 31 March 2019	As at 31 March 2018	Period to which amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value added tax (VAT)	9.62	9.62	Financial Year ("F.Y.") 2009-10, F.Y. 2010-11 and F.Y. 2011-12	Rajasthan High Court & Rajasthan Tax Board
Bihar Value Added Tax	VAT	1.86	1.86	F.Y. 2015-16 and F.Y. 2016-17	Commissioner of VAT Bihar
Telangana Value Added Tax	VAT	0.70	-	January 2013 - September 2014	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh
Service Tax (Finance Act 1994)	Service Tax	6.36	6.36	F.Y. 2007-08 to F.Y. 2012-13	Additional Commissioner of Service Tax
Income Tax Act 1961	Income tax	-	6.28	Assessment Year("A.Y.") 2007-08	High Court
Income Tax Act 1961	Income tax	0.28	0.28	A.Y. 2011-12	Commissioner of Income tax (Appeal)
Income Tax Act 1961	Income tax	3.64	-	A.Y. 2017-18	Commissioner of Income tax (Appeal)
Delhi Value Added Tax	Value added tax (VAT)	1.41	3.64	F.Y. 2012-13 F.Y. 2013-14 F.Y. 2014-15	Delhi VAT Authority
Income Tax Act 1961	Income tax	0.15	1.22	F.Y. 2010-11 to 2015-16	Assessing Officer (Income Tax)
CGST Act	Service Tax	4.09	-	F.Y. 2012-13 and F.Y. 2013-14	Asstt Commissioner (Central Goods & Service tax)
Income Tax Act 1961	Income Tax	79.23	-	F.Y. 2015-16	ACIT, New Delhi

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Name of the statute	Nature of the dues	As at 31 March 2019	As at 31 March 2018	Period to which amount relates	Forum where dispute is pending
Sales Tax Act, Nepal	Service Tax	16.10	16.10	F.Y. 2009-10 to F.Y. 2010-11	Revenue Tribunal and Administrative reviewing authority
Income Tax Act, Nepal	Income tax	12.81	12.81	F.Y. 2009-10	Administrative reviewing authority
		136.25	58.17		

	As at 31 March 2019	As at 31 March 2018
(ii) Others [Net of counter claim filed by the Group amounting to Rs. Nil (previous year: Rs. Nil)]	35.72	28.24

(b) Guarantees excluding financial guarantees

Corporate guarantee *	7.78	67.04
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* RV Enterprizes Pte. Ltd. ("Subsidiary) and a director of the subsidiary, together with two other parties , are, under a deed of Guarantee, committed to guarantee the due and punctual payments to be paid by the subsidiary to Yum Restaurants International Proprietary Limited (the "Franchisor") and to indemnify the Franchisor for any breach of any term or condition under the Franchise Agreement entered into between the subsidiary and the Franchisor.

(c) Others for which the Group is contingently liable: #

	As at 31 March 2019	As at 31 March 2018
(i) Liability in respect of statutory bonus for the year ended 31 March 2015	7.45	7.45

(ii) In February 2019, Hon'ble Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. There are interpretative challenges on the application of judgement retrospectively and as such the Company does not consider that there is any probable obligation for past periods. Accordingly, based on its evaluation, the Group has made a provision for provident fund contribution on prospective basis.

Commitments:	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of Rs. 23.99 (previous year: Rs. 36.68)]	57.72	52.24

The Group is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the consolidated financial statements and hence no provision has been set up against these legal proceedings. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

37. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

On 20 September 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was subsequently approved by the shareholders on 20 December 2011. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. ESOS 2011 was amended subsequently and the amendment was approved by the shareholders on 18 May 2012. The resolution provides that Options so granted, shall not represent more than 4,900,000 shares of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting.

A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of Rs. 111.70.

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was subsequently approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the paid up share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of Rs. 306.12.

Under the above schemes, no vesting shall occur until the filing of Red Herring Prospectus ("RHP") by the Company for the purpose of Initial Public Offer ("IPO").

The Options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Condition	Vesting Period	Contractual Period
1	19 May 2012	2,088,200	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	31 December 2020 (Previous year: 31 March 2020)*	1.75 years to 6.75 years
2	31 May 2014	300,000	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	31 December 2020 (Previous year: 31 March 2020)*	1.75 years to 6.75 years
3	21 September 2018	506,000	306.12	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	126,500 Options each on 31 December 2020, 1 January 2021, 1 January 2022 and 1 January 2023*	1.75 years to 6.75 years

*During the year ended 31 March 2019, the expected date of RHP filing has changed from 31 March 2020 to 31 December 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 21 September 2018	Options granted on 31 May 2014	Options granted on 19 May 2012
Fair value per Option at grant date (in Rs.)	105.28 - 133.03	123.17	56.35 - 57.28
Share price at grant date (in Rs.)	268.99	151.07	93.21
Exercise price (in Rs.)	306.12	111.70	111.70
Expected volatility	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%
Risk-free interest rate	8.06% - 8.11%	9.19%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the Consolidated Statement of Profit and Loss

	As at 31 March 2019	As at 31 March 2018
Employee stock option scheme expense	2.52	2.73
	2.52	2.73

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes are as follows:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	1,871,500	111.70	1,911,500	111.70
Add: Options granted during the year	506,000	306.12	-	-
Less: Options forfeited/ lapsed during the year	12,000	111.70	40,000	111.70
Options outstanding as at the end of the year	2,365,500	153.29	1,871,500	111.70
Options exercisable at the end of the year	-	-	-	-

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	As at 31 March 2019	As at 31 March 2018
Weighted average remaining life of options outstanding at the end of year (in years)	6.92	7.00

38. Capitalisation of expenditure incurred during construction period

The Group has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2019 and 31 March 2018. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

	As at 31 March 2019	As at 31 March 2018
Employee benefit expenses	23.92	23.48
Other Expenses (other expenses mainly includes Rent and Legal and professional expenses)	40.06	16.28
	63.98	39.76

39. Impairment of asset

In accordance with Ind AS 36 "Impairment of Assets", the Group has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. Due to higher operating costs or decline in projected sales growth, certain stores have been impaired in the current year and in the previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment and other intangible assets value of these stores aggregating Rs. 410.28 (net of opening provision for impairment of Rs. 153.35) have been reduced to the recoverable amount aggregating to Rs. 136.34 by way of impairment charge of Rs. 273.94. Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 5% - 20% and salary growth rate of 8% consistently, over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.97 % p.a (previous year: 12.63% p.a). Carrying value of a store includes property, plant and equipment, intangible assets used at a store and allocated corporate assets.

Moreover, the impairment reversal of Rs. 80.75 is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to Rs. 777.27 has exceeded the written down value (after considering impairment charge recorded in previous years amounting to Rs. 136.99). Further, impairment reversal also occurs in respect of certain property, plant and equipment at stores which have been closed during the year.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/(reversal) would increase/ (decrease) on change in these assumptions by 1%. All other factors remaining constant.

Increase/ (Decrease) in Impairment loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount Rate		
(Increase by 1%)	(7.49)	7.53
(Decrease by 1%)	7.82	(7.81)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sales Growth Rate		
(Increase by 1%)	(48.11)	(32.79)
(Decrease by 1%)	52.40	46.06
Salary Growth Rate		
(Increase by 1%)	12.28	13.31
(Decrease by 1%)	(11.91)	(11.76)

40. Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

41. Capital management

The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Board of Directors of the Company regularly review the capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Group's capital management, capital includes issued share capital, securities premium and all other reserves. Debt includes, Indian rupee term loans and foreign currency term loans, cash credit and overdraft facility from banks and borrowings from other parties.

During the financial year ended 31 March 2019, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

Debt Equity Ratio:

	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	3,324.84	2,718.95
Current portion of long-term borrowings	880.38	593.63
Short term borrowings	676.93	407.25
Total Debt (A)	4,882.15	3,719.83
Equity share capital	1,061.67	1,061.67
Other equity attributable to the owners of the Company	(243.19)	329.69
Non-controlling interests	(455.13)	(336.19)
Total Equity (B)	363.34	1,055.17
Debt equity ratio (C= A/B)	1343.68%	352.53%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

42. Employee benefits

Defined contribution plans

An amount of Rs. 89.61 (previous year : Rs. 89.02) has been recognised as an expense in respect of the Group's contribution to Provident Fund and other fund deposited with the relevant authorities and has been charged to the Consolidated Statement of Profit and Loss.

Defined benefit plans

The Group operates a gratuity plan wherein every eligible employee is entitled to the benefit. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 & other relevant laws.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - 'Employee Benefits'

i. Changes in present value of defined benefit obligation:

	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at beginning of year	90.39	78.99
Acquisition adjustment	3.62	-
Interest cost	6.71	6.05
Current service cost	16.52	14.63
Benefits paid	(14.36)	(22.46)
Actuarial (Gain)/Loss recognised in other comprehensive income		
-changes in demographic assumption	(0.06)	0.53
-changes in financial assumption	1.58	20.60
-experience adjustment	8.32	(7.52)
Exchange differences on translation	0.30	(0.43)
Present value of obligation as at end of year	113.02	90.39

ii. Reconciliation of the present value of plan assets :

Balance at the beginning of the year	19.92	10.59
Return on plan assets recognised in other comprehensive income	1.78	1.12
Fund Charges	(0.12)	(0.08)
Contribution paid into the plan	10.00	25.00
Benefits paid	(9.67)	(16.71)
Balance at the end of the year	21.90	19.92
Net defined benefit liability/ (asset)	91.12	70.47

iii. Actuarial assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows

	31 March 2019	31 March 2018
Discounting rate	6.52% - 14%	6.84% - 15%
Future salary increase	8% - 11%	6% - 11%

B. Demographic assumptions

	31 March 2019	31 March 2018
(i) Retirement age (years)	58-60	58-60
(ii)Ages	Withdrawal rate	Withdrawal rate
	per annum(%)	per annum(%)
Up to 30 years	50	50
From 31 to 44 years	37	37
Above 44 years	30	30

(iii) Assumptions regarding future mortality are not based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a retiring employee.

iv. (a) Information for funded plans with a defined benefit obligation:

	As at 31 March 2019	As at 31 March 2018
Defined Benefit obligation	94.00	76.39
Fair Value of plan assets	21.91	19.92
	72.09	56.47

iv. (b) Information for non funded plans with a defined benefit obligation:

Defined Benefit obligation	19.02	14.00
	19.02	14.00

iv. (c) Expense recognised in Consolidated Profit or Loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Employee benefit expenses:		
(a) Current service cost	16.52	14.63
(b) Interest cost	6.71	6.05
(c) Interest income on plan assets	(1.38)	(0.78)
	21.85	19.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

iv. (d) Remeasurement recognised in other comprehensive income:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial loss on defined benefit obligation	9.55	13.36
	9.55	13.36
Expenses recognised in Consolidated Statement of profit and loss	31.40	33.25

v. Reconciliation statement of expense in Consolidated Statement of Profit and Loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of obligation as at the end of the year	113.02	90.39
Present value of obligation as at the beginning of the year	(90.39)	(78.99)
Benefits paid	14.36	22.46
Actual return on plan assets	(1.67)	(1.04)
Acquisition adjustment	(3.62)	
Exchange differences on translation	(0.30)	0.43
Expenses recognised in the Consolidated Statement of Profit and Loss	31.40	33.25

vi. Change in fair value of plan assets:

	As at 31 March 2019	As at 31 March 2018
Opening fair value of plan assets	19.92	10.59
Actual return on plan assets	1.78	1.12
Fund Charges	(0.12)	(0.08)
Contribution by employer	10.00	25.00
Benefits paid	(9.67)	(16.71)
Fair value of plan assets as at year end	21.91	19.92

vii. The Group's expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between one to two years	Between two to five years	Over 5 years
31-Mar-19	30.32	6.99	14.07	61.63
31-Mar-18	22.98	5.25	14.91	130.02

viii. Bifurcation of closing net liability at the end of year

	As at 31 March 2019	As at 31 March 2018
Current liability (amount due within one year)	8.41	17.38
Non-current liability (amount due over one year)	82.70	53.09
	91.11	70.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

ix. Sensitivity analysis

	As at 31 March 2019	As at 31 March 2018
A quantitative sensitivity analysis for significant assumption is as shown below:		
Impact of the change in discount rate on defined benefit obligation		
a) Impact due to increase of 1%	(2.77)	(2.85)
b) Impact due to decrease of 1%	2.93	3.27
Impact of the change in Salary on defined benefit obligation		
a) Impact due to increase of 1%	2.84	3.23
b) Impact due to decrease of 1%	(2.74)	(2.89)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Consolidated Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in plan liabilities.

43. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group.

The CODM is considered to be the Board of Directors of the Company who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Group's business activity primarily falls within a single business and geographical segment i.e. providing food and beverages, thus there are no additional disclosures to be provided under Ind AS 108 – "Operating Segments".

The CODM considers that the various goods and services provided by the Group constitute single business segment.

Segment wise information for the year ended 31 March 2019 and 31 March 2018 are as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 19		For the year ended 31 March 18	
	Domestic	International	Domestic	International
Food and beverages segment #	11,941.66	1,501.30	10,140.21	965.91
Other Income ##	198.46	32.18	172.32	78.26
Total	12,140.12	1,533.48	10,312.53	1,044.17

Particulars	As at 31 March 19		As at 31 March 18	
	Domestic	International	Domestic	International
Non-current assets*	4,598.10	1,111.01	4,181.05	1,084.22

Revenue from food and beverages segment is directly attributed to domestic and international operations

Other income is attributed between domestic and international operations based on country of incorporation of respective companies of the Group.

*Non current assets excludes financial instruments, equity accounted investee, deferred tax assets (net) and income tax assets (net)

No single external customer amounts to 10% or more of the Group's revenue. Accordingly, information about major customer is not provided.

44. Interest in joint venture

Joint Venture

The Minor Food Group (India) Private Limited (Minor) is a joint arrangement in which the Group has joint control and a 30% ownership interest. Minor is engaged in the business of developing, managing and operating ice cream parlours for Swensen's brands in Bengaluru, India. Minor is not publicly listed and accordingly, no quoted market price is available for the investment.

Based on contractual arrangement between MFG International Holding (Singapore) Pte. Ltd and the Company, the Group has classified its interests in Minor as a joint venture.

The following table summarises the financial information of Minor and the carrying amount of the Group's interest in Minor.

a) At Balance Sheet level

Particulars	As at 31 March 19	As at 31 March 18
Percentage of ownership interest	30%	30%
Non-current assets	0.11	90.09
Current assets (including cash and cash equivalents- 31 March 2019: Rs. 5.65, 31 March 2018: Rs. 4.47)	6.80	19.01
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions- 31 March 2019: Rs. 12.50, 31 March 2018: Rs. Nil)	(14.92)	(25.76)
Net assets	(8.01)	83.34
Groups share in net assets (30%)	(2.40)	25.00
Provision for impairment loss in value of equity accounted investee	-	(25.00)
Carrying amount of interest in joint venture	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

b) At Statement of Profit and Loss level

Particulars	For the year ended 31 March 19	For the year ended 31 March 18
Revenue from operations	28.92	64.87
Interest income	0.03	2.20
Depreciation and amortisation expense	5.99	11.51
Interest expense	0.95	0.01
Loss for the year	(91.35)	(58.34)
Total comprehensive income for the year	(91.35)	(58.34)
Group's share of loss (30%)	(27.41)	(17.50)
Group's share of OCI (30%)	-	-
Group's share of total comprehensive income (30%)	(27.41)	(17.50)
Unrecognised share of loss as on 31 March 2018	-	-
Loss not recognised during the current year	(27.41)	-
Unrecognised share of loss as on 31 March 2019	(27.41)	-

The Group has not recognised its share of loss of current year from the joint venture.

In years ended 31 March 2019 and 31 March 2018, the Group did not receive dividends from the joint venture.

45. Non-controlling interests (NCI)

See accounting policies in Note 2.1 (e) (i)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

31 March 2019	RV Enterprizes Pte. Limited *	Devyani Airport Services (Mumbai) Private Limited	Total
NCI Percentage	13% #	49%	
Non-current assets	216.61	157.68	374.29
Current assets	123.12	35.20	158.32
Non-current liabilities	(654.94)	(939.55)	(1,594.49)
Current liabilities	(599.00)	(140.01)	(739.01)
Net assets	(914.21)	(886.68)	(1,800.89)
Net assets attributable to NCI	(46.49)	(408.64)	(455.13)
Total revenue	794.83	534.00	1,328.83
Profit/(Loss) for the year	(50.87)	(310.89)	(361.76)
Other comprehensive income for the year	(15.83)	0.56	(15.27)
Total comprehensive income for the year	(66.70)	(310.33)	(377.03)
Profit/(Loss) allocated to NCI	(28.43)	(152.34)	(180.77)
Other comprehensive income allocated to NCI	(14.27)	0.28	(13.99)

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(Rupees in millions, except for share data and if otherwise stated)

31 March 2019	RV Enterprizes Pte. Limited *	Devyani Airport Services (Mumbai) Private Limited	Total
Total comprehensive income allocated to NCI	(42.70)	(152.06)	(194.76)
Cash flows from operating activities	26.05	(54.66)	(28.61)
Cash flows from investing activities	(25.52)	(3.10)	(28.62)
Cash flows from financing activities	83.32	56.37	139.69
Net increase(decrease) in cash and cash equivalents	83.85	(1.39)	82.46

31 March 2018	RV Enterprizes Pte. Limited *	Devyani Airport Services (Mumbai) Private Limited	Total
NCI Percentage	26%	49%	
Non-current assets	468.01	308.47	776.48
Current assets	79.64	37.24	116.88
Non-current liabilities	(1,333.79)	(810.08)	(2,143.87)
Current liabilities	(731.56)	(111.98)	(843.54)
Net assets	(1,517.70)	(576.35)	(2,094.05)
Net assets attributable to NCI	(79.60)	(256.59)	(336.19)
Total revenue	749.52	496.26	1,245.78
Profit/(Loss) for the year	(24.28)	(278.30)	(302.58)
Other comprehensive income for the year	54.37	0.40	54.77
Total comprehensive income for the year	30.09	(277.90)	(247.81)
Profit/(Loss) allocated to NCI	(12.10)	(136.37)	(148.47)
Other comprehensive income allocated to NCI	10.81	0.20	11.01
Total comprehensive income allocated to NCI	(1.29)	(136.17)	(137.46)
Cash flows from operating activities	(7.25)	(32.25)	(39.50)
Cash flows from investing activities	3.10	(2.87)	0.24
Cash flows from financing activities	(9.97)	37.29	27.31
Net increase(decrease) in cash and cash equivalents	(14.12)	2.17	(11.95)

Transactions with NCI

The Group had acquired an additional 13% stake in RV Enterprizes Pte Limited on 10 September 2018 by issue of new equity shares for Rs. 68.80. Immediately prior to purchase, the carrying amount of 13% non-controlling interest acquired was Rs. (75.82). The group recognised a decrease in non-controlling interest of Rs. (75.82) and a decrease in equity attributable to owners of the parent by forming a NCI reserve for Rs. 75.82.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 19	As at 31 March 18
Carrying amount of non-controlling interest acquired	(75.82)	-
Transferred to NCI reserve within equity	75.82	-

There were no transactions resulting in change in ownership during the year ended 31 March 2018.

* Post consolidation of Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

NCI percentage of RV Enterprizes Pte. Limited has been changed to 13% with effect from 10 September 2018

46. Additional information required by Schedule III to the Companies Act 2013
31 March 19

Name of the entity in the group	Net assets (Total Assets - Total Liabilities (Total assets - Total liabilities))		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Devyani International Limited (DIL)	870.60%	3,163.30	-0.36%	2.41	26.32%	(7.91)	0.79%	(5.50)
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	-3%	(12.20)	2%	(12.07)	1.38%	(0.41)	1.80%	(12.48)
Devyani Airport Services (Mumbai) Private Limited	-138%	502.73	22%	(143.10)	-0.96%	0.29	20.57%	(142.81)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	11%	40.79	-1%	4.05	1.61%	(0.48)	-0.51%	3.57
Devyani International (UK) Private Limited	24%	88.99	40%	(263.37)	17.65%	(5.30)	38.69%	(268.67)
RV Enterprizes Pte. Limited	-402%	(1,460.84)	2%	(13.59)	7.44%	(2.24)	2.28%	(15.83)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Name of the entity in the group	Net assets (Total Assets - Total Liabilities (Total assets - Total liabilities))		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-112%	(408.64)	23%	(152.34)	-0.94%	0.28	21.90%	(152.06)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	-13%	(46.50)	4%	(28.43)	47.49%	(14.27)	6.15%	(42.70)
Joint Venture (Investment accounted as per equity method)								
The Minor Food Group (India) Private Limited	0%	-	0%	-	0.00%	-	0.00%	-
Inter group eliminations	-137%	(498.82)	9%	(57.87)	0.00%	-	8.33%	(57.87)
At 31 March 2019	100%	363.35	100%	(664.31)	100%	(30.04)	100%	(694.35)

31 March 18

Name of the entity in the group	Net assets (Total Assets - Total Liabilities (Total assets - Total liabilities))		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Devyani International Limited (DIL)	299.99%	3,165.38	190.10%	591.67	-14.34%	(9.80)	153.29%	581.87
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Name of the entity in the group	Net assets (Total Assets - Total Liabilities (Total assets - Total liabilities))		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Devyani Food Street Private Limited	0%	0.29	5%	15.85	0.58%	0.40	4.28%	16.25
Devyani Airport Services (Mumbai) Private Limited	-34%	(359.96)	-36%	(111.55)	0.30%	0.20	-29.33%	(111.35)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	3%	26.92	5%	14.59	0.69%	0.47	3.97%	15.06
Devyani International (UK) Private Limited	28%	294.67	-6%	(18.96)	37.77%	25.81	1.80%	6.85
RV Enterprizes Pte. Limited	-136%	(1,438.10)	-4%	(11.97)	58.88%	40.24	7.45%	28.27
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-24%	(256.59)	-44%	(136.37)	0.29%	0.20	-35.87%	(136.17)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	-8%	(79.60)	-4%	(12.10)	15.83%	10.81	-0.34%	(1.29)
Joint Venture (Investment accounted as per equity method)								
The Minor Food Group (India) Private Limited	0%	-	-6%	(17.50)	0.00%	-	-4.61%	(17.50)
Inter group eliminations	-28%	(297.84)	-1%	(2.40)	0.00%	-	-0.63%	(2.40)
At 31 March 2018	100%	1,055.17	100.00%	311.24	100%	68.33	100%	379.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

47. Business Combination

Acquisition of business

The Group acquired four KFC stores on 01 October 2018, six KFC stores on 01 November 2018 and three KFC stores on 01 December 2018 from Yum Restaurants (India) Private Limited ("Yum") on slump sale basis for an estimated purchase consideration of Rs. 311.38. Yum is the franchiser of KFC, Pizza Hut, Taco Bell brand and the Company has acquired stores from Yum in order to expand its operations in Kerala and Goa.

On 01 April 2017, the Group acquired five KFC stores from Hyson Restaurants Private Limited ("Hyson") on slump sale basis for an estimated purchase consideration of Rs. 107.50. Hyson is a prominent player in the restaurant business and the Company had acquired stores from Hyson in order to expand its operations in Kerala.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Assets		
Property, plant and equipment (Refer to Note 3)	258.20	79.16
Intangible assets (Refer to Note 4)	20.60	13.33
Inventories	8.33	1.80
Other assets (Security deposit)*	18.38	13.21
	305.51	107.50
Liabilities		
Gratuity liability	3.62	-
	3.62	-
Total identifiable net assets as fair value	301.89	107.50
Purchase consideration transferred in cash	311.38	107.50
Goodwill (Refer to Note 4)#	9.49	-

* Gross contract amount receivable is Rs. 42.53.

Not deductible for tax purposes.

The goodwill is attributable to the operational synergies and expansion on market share. It will not be deductible for tax purposes.

Transaction cost of Rs. 0.48 (previous year: Rs.0.14) have expensed and are included in Other expenses in the Consolidated Statement of Profit and Loss and are part of the operating cash flows in the Consolidated Cash Flows Statement.

Acquired stores under business combination contributed revenue of Rs. 251.95 (previous year: Rs.122.04) and profit of Rs. 8.09 (previous year loss of: Rs. 13.06) to the Group's profit or loss for the year.

In respect of the business combination the Group does not have access to the records of Yum prior to the date of acquisition and hence, it is impractical to disclose the revenue and profit or loss of the Group alongwith the acquired stores for the current reporting period as though the acquisition date for the business combinations that occurred during the current year had been as of the beginning of the annual reporting period as required by Ind AS 103.

48. The Group has evaluated events or transactions that occurred after the Consolidated Balance Sheet date but prior to the issuance of consolidated financial statements and concluded that no subsequent events have occurred till 23 September 2019 that require adjustment to or disclosure in the consolidated financial statements, except for the following:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in millions, except for share data and if otherwise stated)

Subsequent to year ended 31 March 2019, the Company has signed a non-binding term sheet with Yum Restaurants (India) Private Limited ("Yum") for acquisition of sixty-one KFC stores, located in Karnataka, Telangana and Andhra Pradesh on slump sale basis. This term sheet is subject to reaching mutually satisfactory business transfer agreement and such other agreements as may be required between both parties.

49. The Group has incurred losses in current year and has accumulated losses as at 31 March 2019, which has resulted in erosion of the net worth of the Group as at 31 March 2019. Further, the Group's current liabilities exceed its current assets as at 31 March 2019.

Based on projections, revised and detailed business strategies (including business combination transactions referred to in Note 47 and 48 above), the Group expects growth in its operations and improved operating performance in coming years and also, expects to earn enhanced cash inflows from its operating activities. The Group believes such anticipated internally generated funds from operations in future along with its liquidity position as at 31 March 2019, its fully available revolving undrawn credit facility as at 31 March 2019 and certain other current assets (financial and non-financial) as at 31 March 2019 will enable it to meet its future known obligations due in next year, in the ordinary course of business. Based on the projections, the Group expects to earn cash inflow from operating activities, which can be used to settle liabilities in the near future. However, if a liquidity need were to arise, the Group believes it has access to requisite financial and operational support from RJ Corp Limited (ultimate holding company), which should enable it to meet its ongoing capital, operating, and other liquidity requirements. Moreover, the Group will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

In view of the above, the use of going concern assumption has been considered appropriate in preparation of these consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of
Devyani International Limited**

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Vivek Kumar Singh
Company Secretary
Membership No.: A19348

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

Place: Gurugram
Date: 23 September 2019

NOTES